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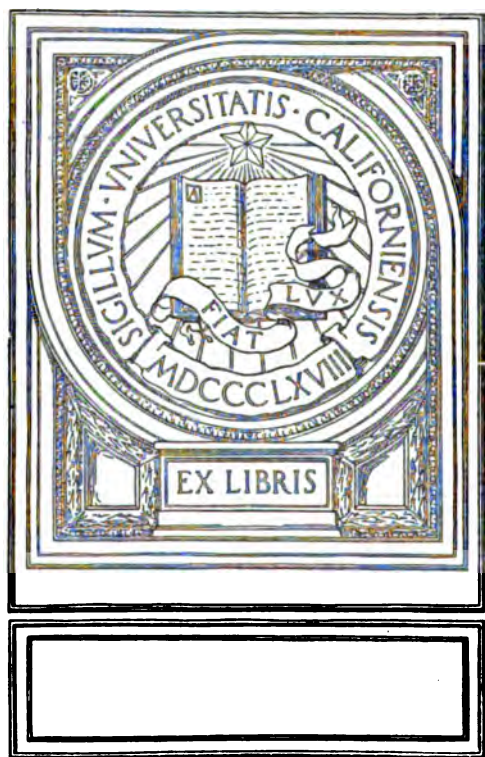
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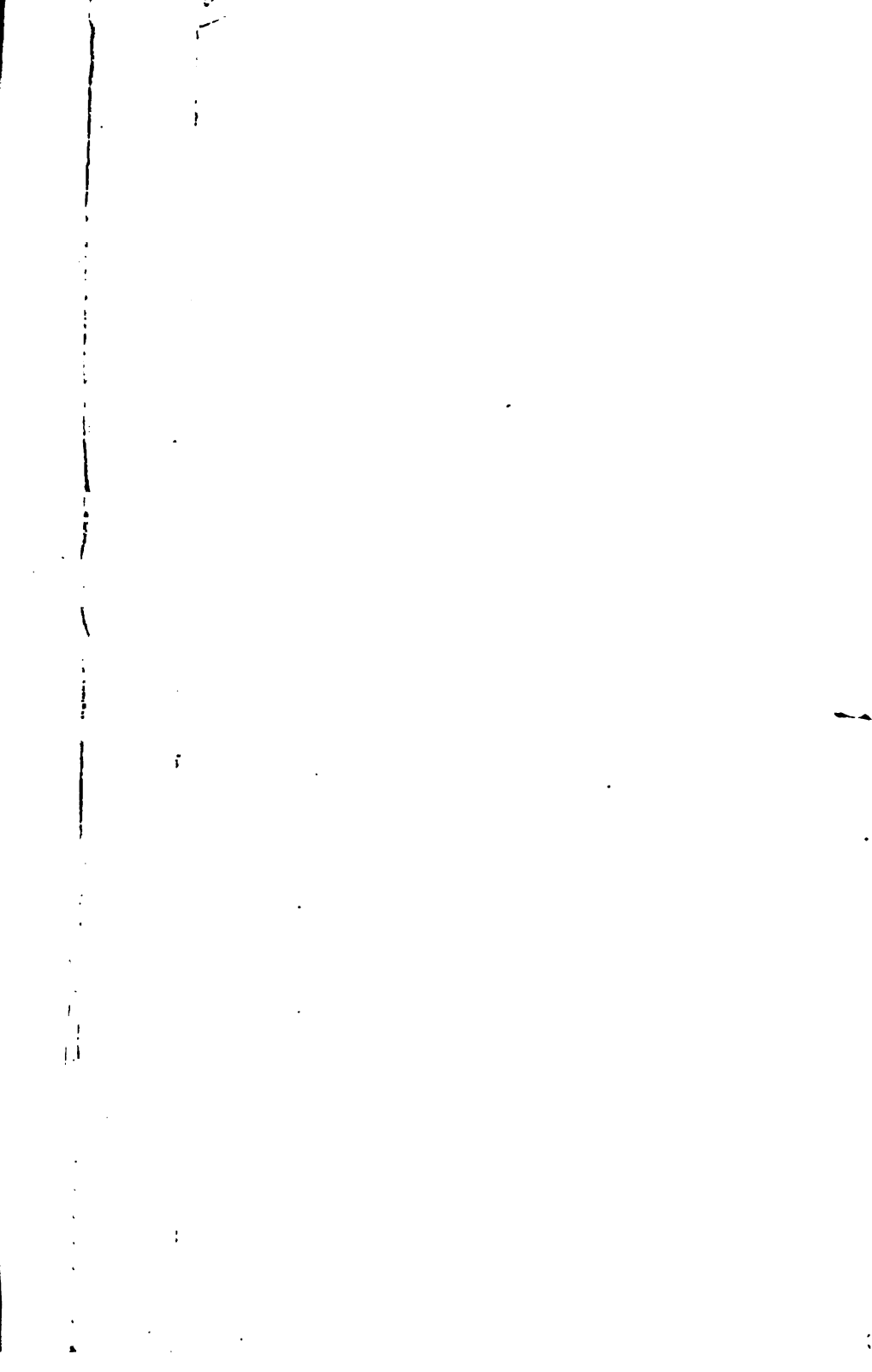
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**THE INDUSTRIAL
REVOLUTION**

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THE INDUSTRIAL REVOLUTION

BEING THE PARTS ENTITLED
PARLIAMENTARY COLBERTISM
AND
LAISSEZ FAIRE

REPRINTED FROM *THE GROWTH OF ENGLISH
INDUSTRY AND COMMERCE IN MODERN TIMES*

BY

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TO VIRU
AIRPORT

NOTE

THE importance of studying the causes, through which the existing state of affairs has come into being, is being recognised by many of those who take an interest in the social and industrial questions of the present day. With the view of meeting the requirements of such readers, the Syndics of the Cambridge University Press have consented to reprint the portions of *The Growth of Industry and Commerce in Modern Times* which deal with the revolution that occurred, both in town and country, during the eighteenth and the first half of the nineteenth century. The original divisions and pagination have been preserved, as it may sometimes be convenient to use this reprint, in classes or otherwise, along with the complete work.

W. C.

TRINITY COLLEGE, CAMBRIDGE.

29 November 1907.

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218. *Misunderstandings in regard to Credit.* The nature and conditions of Credit were imperfectly recognised. Business assumed a speculative character, especially in connection with the Stock Exchange, and Bubble Companies were formed for South Sea trading, and mining projects. The Bank of England acquired experience; while Law's failure in France gave a serious warning; and London was becoming the chief financial centre of the world. The reaction after over-trading brought about the failure of the Ayr Bank in 1772. The Bank of England warded off disaster in 1782, but the expansion of trade in 1792 was followed by a crisis, which the Bank failed to minimise. Still the conditions of issuing convertible paper were becoming better understood. 446

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221. *The New Attack on the East Indian Trade.* The same economic principle underlay the fresh attack on the East India Company, which imported goods that competed in the home market with English manufactures, such as fans, woollen cloth, and silk. There were also good grounds for criticising the conduct of the Company with regard to the employment of its capital and the action of its officials in carrying on private trade. The Directors and their agents often differed as to the 'investment' and 'remittances'; and the business was so intricate that supervision was impossible and corruption

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222. *The Navigation Act and the Colonies.* As the colonies grew, the Navigation Act supplied a suitable mechanism for controlling their traffic, so as to promote British industry, and to render England a staple for enumerated commodities. Great attention was given to the West India Islands, as a *dépôt* for Mexican trade, and in connection with the slave trade. In this England was chiefly interested, as it helped to secure the economic dependence of the plantations, and the African market for manufactures. The traffic had disastrous results on the negroes, and was of doubtful economic advantage; but the treatment of slaves in the West Indies was improved by restricting them to particular estates. The Navigation Acts were injurious to the islands, but helped to stimulate shipbuilding in New England; while British attempts to cut off Colonial intercourse with the French engaged in the Newfoundland fisheries, and with the French West-India Islands, gave rise to considerable grievance. 471

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XV. CHANGES IN THE ORGANISATION AND DISTRIBUTION OF INDUSTRY.

225. *The Influence of Commerce on Industry.* The fostering of industry was the prime object of economic policy during the period of Whig Ascendancy, and this aim is very defensible. As the materials needed in the established manufactures were limited, it seemed desirable to plant exotic trades, such as silk-weaving, and others in which the Huguenots were skilled. The dependence of industry on trade for materials and for sale, gave an impulse to the intervention of employers. The reconstruction of industry on capitalist lines may be effected so gradually as to be untraceable, but signs of the change are found in the nature of trade associations and trade disputes. In the clothing trade, the capitalist and domestic systems existed side by side, and each had advantages of its own; but the capitalist was in the best position for supervising workmen, gauging the market, and introducing machinery. 494

226. *The Migration and Localisation of Industry.* The changes which

occurred in the local distribution of industry can sometimes be explained on physical grounds, and sometimes with reference to convenience for trade. The concentration of trade was favourable to capitalist organisation; and the migration of independent workmen tended to diffuse industry. Yorkshire proprietors found it profitable to encourage domestic weavers, and these men adopted labour-saving implements, to which wage-earners at the old centres took exception. 500

X 227. *The Capitalist and Domestic Systems in the Clothing Trade.* Pains were habitually taken to open and retain foreign markets for English cloth, and to give the English manufacturers a preference in purchasing wool. After the Restoration, the export of wool was prohibited, despite the protests of the landed interest; and the home supply was supplemented from Ireland. The domestic weaver was at a disadvantage in the purchase of wool. Attempts had been made, even in Tudor days, to prevent the large undertakers from engrossing it, and to insist that they should pay the regulated wages, and should continue to employ their hands in bad times. Wage-earners were accused, in the eighteenth century, of embezzling materials; they formed combinations in Devon and Somerset, in Gloucestershire, and at Norwich. The masters were allowed to combine to prosecute fraudulent workmen, and inspectors were appointed to maintain the quality of goods. 503

228. *Differentiation of an Employing Class in other Trades.* The differentiation of an employing class occurred in the spinning trade, and in cloth-working. Capitalist supervision proved beneficial in these callings, as well as among the felt-makers. In this calling, and also in the case of the tailors, the rise of capitalism was followed by organisation among the wage-earners. Capitalism appears at its worst in connection with framework knitting, as carried on by provincial undertakers in defiance of the London Company; but the new system was everywhere incompatible with old regulations. 510

* 229. *Capital and the Planting of New Industries.* The Huguenot incursion gave opportunities for planting new industries, which Parliament encouraged by legislation for promoting consumption at home, and by granting bounties on export. New fashioned textiles, of silk and cotton, were thought to supplant woollen goods; these exotic trades tended to develop on capitalist lines. Domestic silk manufacture seems to have been superseded by the intervention of capitalists, and introduction of machinery. Capital was subscribed for manufacturing sail-cloth, and the linen trade was developed on a co-operative system in Ireland, and in Scotland by means of public funds, and the development of credit. Scottish linen had better access to foreign markets than Irish, and received more encouragement. 515

* (230. *The Hardware Trade and Colonial Industries.* The hardware trade underwent little change in organisation, but was exposed to difficulties from the scarcity of fuel, which caused a migration of industry from Sussex, and stimulated the experiments of the Darbys for substituting the use of coal for charcoal, for smelting in blast furnaces, and for puddling. The trade flourished in districts where coal was available, and manufacturers were no longer dependent on pig-iron from Sweden, from Ireland, or the American colonies. 522

231. **Coal-mining.** The change in the processes of iron manufacture stimulated the coal trade, which had been growing, through the demand for fuel in London. New enterprise was shown in mining, and in the introduction of pumping and other appliances. In the Newcastle district, the employers organised a system for controlling the output from each colliery; while the miners in Scotland were bondsmen, in personal subjection to their masters. 526

232. **Internal Communications.** The improvement of internal water communication had often been projected, for conveying corn, and the new demand for coal gave better prospects of profit for such undertakings. The Duke of Bridgewater constructed a canal from Worsley to Manchester with his own resources, and from Manchester to Runcorn through the help of London Bankers; and the scheme of the Grand Junction Canal was eagerly taken up. The roads of the kingdom had been allowed to fall into disrepair, despite the efforts of parish surveyors to enforce statute duty, but turnpike roads were better maintained. In the time of Queen Anne the state of the roads hampered trade and agriculture, but the eighteenth century proprietors were sufficiently public spirited to carry out vast improvements in the country generally. 532

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234. **Improvements in Tillage.** In the seventeenth century there was much imitation of Dutch methods of raising stock and dairy farming. Improvements in tillage, in the eighteenth century, were noted by Arthur Young, who was an accurate observer of progress, and recorded some interesting survivals of mediæval practice. He severely criticised thriftless ploughing and careless cultivation of beans and of turnips. He advocated the introduction of clover and rye grass so as to give a five-course husbandry, while Bakewell was engaged in improving the breeds of sheep and cattle. 545

235. **Agricultural Improvement and the Rural Population.** The progress of improvement and enclosure put an end to subsistence farming on the part of artisans, cottiers, and small farmers; enclosure led to the consolidation of holdings and the displacement of rural population. Different localities competed in a national market and no effort was made to maintain separate markets. The expenses of enclosure were great, and the procedure inflicted much hardship on the small farmers, who did not benefit by the high price of corn, while they lost on other produce, and were crushed by the burden of rates. 552

236. The Problems of Poverty. The pressure of pauperism called forth from time to time discussions which throw light on contemporary social conditions during the seventeenth and eighteenth centuries. The decline in the power of the Council, after the Civil War, gave scope for the consideration of local, to the neglect of national interests. Labourers had a double source of income, and their position was so secure, that they could afford to be idle; additional opportunities of employment did not absorb the vagrant population, who were permitted in the seventeenth century to squat on the common wastes instead of working, till they were checked by the Act of 1662, which imposed serious restrictions on the labouring classes. Fluctuations of trade increased the numbers of unemployed; and schemes for relieving the rates and employing the poor were tried in many towns. The establishment of workhouses, and the system of farming the poor, checked the increase of rates, as did the war on cottages, but at the cost of much suffering. Since some persons fell into poverty through no fault of their own, because of fluctuations in trade, there was a reaction against stringent administration in 1783, and against the settlement restrictions in 1796, so as to render the granting of lavish relief more common. 562

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238. The Revolt of the Colonies. The severance of the American colonies broke up the British commercial system, and discredited its principles. Economic grievances gave an occasion for the breach, but they only pressed seriously because of the colonial lack of interest in Hanoverian politics, and owing to the fact that the colonists felt strong enough to work out their own political destiny without British protection. The principles of the British system had been applied in America, so as to affect consumers of manufactured goods and to repress colonial industries; but American economic grievances did not determine the line of cleavage on which the severance occurred. 583

239. The Union with Ireland. British statesmen were led by the American revolt to treat Ireland more favourably. The Irish in 1783 imitated parliamentary Colbertism, with regard to tillage and internal communication, and in promoting fisheries and manufactures. The English House of Commons was determined to control economic life throughout the British Isles, and a legislative union was the only course available, so that recourse was had to the plan already adopted in regard to Scotland. 588

240. Adam Smith and the Wealth of Nations. Adam Smith supplied a justification for a change of economic policy, by treating National Wealth without direct reference to Power; he created Economic Science. He held that if each individual were free to seek his own wealth the national wealth

would increase, and that special encouragements were needless and costly. By his analysis of the process of Exchange and of the benefit of Trade, he revolutionised current maxims of trade in a way that commended itself both to Whigs and Tories. 593

241. *Tory Sentiments.* Tory politicians treated Land as the main factor in economic prosperity, and desired to relieve its burdens; they were not jealous of the Crown, or of the economic prosperity of the colonies, so long as political control was maintained. The Tories desired to distribute the burden of taxation, and were not concerned to promote manufactures. The results of applying Whig principles had been immense, but the country had outgrown them, and Pitt was well advised in discarding them and reverting to Tory traditions, as to the benefit of trade, in his commercial policy, and as to the desirability of distributing the burden of taxation so as to reach the owners of personal property; though during the Wars he was also forced to borrow largely, and in a costly fashion. The Tory jealousy of the moneyed interest became associated with humanitarian agitation in regard to the slave trade and to the conditions of labour. 597

VII. LAISSEZ FAIRE.

I. THE WORKSHOP OF THE WORLD.

242. *The Industrial Revolution in England.* The Industrial Revolution, which began in England, entails a complete alteration of social conditions, wherever it spreads. Mechanical inventions were not a practical success, till the eighteenth century afforded the requisite opportunities for enterprise. The well-ordered trade of the seventeenth century had been incompatible with the pushing of business, and the old regulations were proving mischievous; in the nineteenth century, though the working classes agitated for the enforcement of existing legislation, Parliament was ready to abandon it. The seventy years of Industrial Revolution changed the whole face of the country. 609

243. *Machinery in the Textile Trades.* Neither the introduction of new processes, nor of new implements, had such marked results as the substitution of machinery for hand labour. 613

244. *Increasing Influence of Capital.* The introduction of machines was a phase in the progress of Capitalism, and led to increased division of processes, and to the shifting of labour, as well as to the migration of industry to localities where power was available. 614

245. *Factories and Cottage Industries.* The concentration of labour involved the decay of cottage employment, and increased the differentiation of town and country, so that the weaver ceased to have subsidiary sources of income, while his earnings were more liable to fluctuate. There was rapid material progress, and this involved a loss of stability. 616

246. *The Rise of an Employing Class.* Machinery gave opportunity for the rise of capitalist employers, some of whom were drawn from mercantile business, while others had come from the ranks of the yeoman

class. The improvements in production led to the adoption of a new policy for stimulating industry, not by recasting, but by abandoning the whole system. 617


II. THE INTRODUCTION OF MACHINERY IN THE TEXTILE TRADES.

247. Cotton Spinning. The cotton industry was the field where the revolution first occurred, through the inventions which Arkwright rendered successful; though he failed to maintain his alleged rights, and power-spinning became very general. The weaving of cotton on linen warp had grown up during the sixteenth and seventeenth centuries, but cloth could now be made of cotton only; and foreigners were undersold. Ample supplies of material were available, though interruptions of trade were disastrous and there was an increased demand for labour; but the supply of water-power was limited, and the application of steam-power was followed by the growth of factory towns. 620

248. The First Factory Act. The condition of parish apprentices in cotton factories attracted attention, not from the danger of overwork, but because of their defective moral training. The first Factory Act was directly connected with the Elizabethan apprenticeship system. 628

249. Cotton Weavers and Wages Assessment. Before the power-loom came into use, the cotton weavers enjoyed great prosperity temporarily, but were soon reduced to receiving starvation rates of pay. The Arbitration Act of 1800 proved ineffective; and the weavers demanded an assessment of their wages under the Act of 1568. This had fallen into desuetude, and was repealed, in deference to *doctrinaire* opinion, with the result of throwing the cotton weavers on the rates in Lancashire. The Scotch weavers, when attempting to secure legal redress, rendered themselves liable to criminal proceedings. 632

250. Calico Printers and Overstocking with Apprentices. The introduction of machinery in calico printing led to the substitution of boys for men, and to overstocking with apprentices. The quality of the product in the cotton trades was improved by the use of machinery. 639

 **251. The Supply of Wool, Ireland and Australia.** The condition of the woollen differed from the cotton trade, as spinning was widely diffused, and native materials were largely employed. The supply of English wool was limited, and seems to have been diminishing, so that there was more reliance on foreign wool, and revived anxiety, which showed itself in all parts of the country, about the smuggling of English wool abroad. A new source of supply was found, through the transportation of sheep to and development of squatting in Australia; but this source was not available for any considerable quantity till after the revolution in spinning had taken place. 642

252. Carding and Wool-Combing. A great saving was effected by machines for carding and scribbling, and these had been generally adopted; but the invention of machinery for the preliminary processes of worsted manufacture roused great antagonism among the wool-combers. 649

253. Spinning-Jennies for Wool. Hand-jennies for wool came into use at the centres of domestic weaving, and spinning with the wheel ceased to be remunerative, even as a by-occupation. In 1793 the Berkshire justices

granted allowances from the rates, and this tided over the transition to spinning by jennies in factories, and subsequent spinning by power. 653

254. *Legal and Illegal Woollen Weavers.* The flying shuttle brought large earnings to those woollen weavers who found employment, but the unemployed commenced an agitation for enforcing the old rules. The obligation of a seven years' apprenticeship was set aside temporarily, and, despite the evidence in favour of retaining it, the system was abandoned. 657

255. *The Shearmen and the Framework Knitters.* The use of gill-mills, though possibly illegal, was permitted, since they did the work well; the newly invented shearing frames deprived skilled workmen of employment and roused them into violent opposition, in which they were associated with the Luddites. When the regulation of framework knitting by the Company ceased, complaints of hardship arose from the hands, who paid frame rents; and subsequently inferior goods were produced, which spoiled the market. The evils were aggravated by the practice of spreading work, and were not due to machinery, but to reckless competition. 661

III. AGGRAVATIONS OF THE EVILS OF TRANSITION.

256. *The War and Fluctuations in Maritime Intercourse.* The inevitable difficulties of transition were aggravated by the fluctuations of trade, which rendered manufacturing speculative and tended to lower the operatives' standard of life. The breach with the American colonists was taken advantage of by French and Dutch rivals; and Russia insisted on maintaining a new doctrine of neutral trading, to the disadvantage of the English, who sustained heavy losses, but no permanent damage to their maritime power. Though England relinquished many possessions in 1783, her maritime superiority was more striking than ever, and enabled her to monopolise the carrying trade and to ruin her rivals. During the Revolutionary War a stimulus was given to English tillage; and after the Peace of Amiens, to manufactures for American markets. English prosperity was securely founded, as industry and agriculture had all been developed; a large revenue was derived from customs; England, despite the pressure of debt, could defy competition through her wealth in coal, and was bound to triumph in the end. The attempt of England to destroy the commerce of France embroiled her with the United States, since they had developed a carrying trade between France and her colonies to the disadvantage of British traders. The Orders in Council against neutral trading called forth the Berlin and Milan Decrees; these pressed severely on the customers of England, but did not break down her monopoly, as Napoleon failed to develop industries, and a large contraband trade sprung up. The rupture with the States affected our supplies of material and food as well as our manufactures. With the establishment of peace a period of depression ensued. Though successful speculators had gained, the community as a whole suffered from the fluctuations in trade. 668

★ 257. *Credit and Crises.* During the war, industry suffered from want of materials and the interruption of the food supply, and all capitalists were affected by the variations in credit, and the consequent crises. There was

frequent temptation to over-trading; while Pitt used his power of borrowing so persistently, and political affairs were so threatening, that the Bank had to suspend cash payments. 689

258. The National Debt and the Sinking Fund. Much of the fiscal burden was deferred, and while Pitt's Sinking Fund, which avoided the errors in Walpole's scheme, inspired mistaken confidence, it served to encourage reckless borrowing. 695

259. The Suspension of Cash Payments. After the suspension of cash payments, there was no check on the unconscious depreciation of the currency by the over-issue of paper, which tended to raise general prices and to reduce the purchasing power of wages. The authorities of the Bank contested the fact of depreciation, but recent experience in Ireland rendered the true state of the case clear to the Bullion Committee of 1810, and their principles were adopted in 1819, when cash payments were resumed. 699

260. The Demand for Food and Higher Farming. The working classes suffered from the high price of corn, which was partly due to the increased demand of the manufacturing population. There were large supplies of meat, and great pains were taken to manage the available corn to advantage, to encourage the importation of food from abroad, and to discourage waste. 703

261. Enclosure and the Labourers. With the view of increasing the home production of corn, enclosure was pushed on, in the belief that the whole rural population would be benefited; but this hope proved mistaken. In a large number of cases the labourer lost the opportunities of supplementing his income, and was deprived of the hope of rising in the world. 711

262. Rural Wages and Allowances. It appeared impracticable to reintroduce the assessment of wages; and in a period of severe distress, the justices began to grant allowances to the families of able-bodied men systematically, with disastrous results in pauperising the population, while by-occupations and village industries decayed, and the tendency to migrate to towns increased. 715

263. The Agricultural Interest and the Corn Laws. The Corn Law of 1689 had been successful in both its objects, for many years; that of 1773 was intended to secure a food supply, either from home or abroad, at a steady price; but Parliament reverted to the principle of promoting native production, in 1791, and gave an unhealthy stimulus to tillage for a time, with the result that landlords were threatened with ruin at the Peace. The Act of 1815 was passed on plausible grounds, but in the interest of the landlords as a class, to the detriment of the consumers, and without controlling prices so as to encourage steady agricultural improvement. 723

264. The Combination Laws. The working classes not only failed to obtain redress under the existing laws, but suffered from the passing of a new Combination Act in a time of political panic, and despite protests against its injustice. Friendly Societies continued to exist; but associations for trade purposes were liable to prosecution; though this was not systematically enforced, an intense sense of injustice was roused. 732

265. Economic Experts. The reluctance of Parliament to attempt remedial legislation was due to the influence of economic experts, who

concentrated their attention on national wealth, and were uncompromising advocates of *laissez faire*. The vigour with which they insisted on free play for capital as a right, and denounced traditional views, as to the duty of the State to labourers and the expediency of fostering a native food supply, increased class bitterness. The Classical Economists generalised from the special conditions of their own day, and put forward a doctrine of the wages-fund which condemned all efforts on the part of labourers to raise wages, because they happened to be ineffective at that juncture. The Malthusian doctrine, as to the difficulty of procuring subsistence and the rapid growth of population, was a convincing statement of the facts in his time, but left the mistaken impression that all philanthropic effort was necessarily futile. . 737

IV. HUMAN WELFARE.

266. The Humanitarians and Robert Owen. English public opinion, under the influence of John Stuart Mill, became dissatisfied with the mere consideration of means, and began to feel after a better ideal of human life, and to work at the conditions which were necessary to realise it. Attempts had been made to put down the cruel treatment of parish apprentices, and other abuses at home and abroad; and positive efforts to better the condition of the poor, by providing new means of education, were generally welcomed. Robert Owen had extraordinary practical success at New Lanark, not only in his schools and co-operative store, but in managing his mill so as to contribute to the elevation of the operatives in character. . 745

267. The Removal of Personal Disabilities. The status of the workmen was improved by altering the conditions for the settlement of the poor, and by repealing the restrictions on emigration, as well as by the repeal of the Combination Acts. Despite an outbreak of strikes, which disappointed the advocates of repeal, the Combination Acts were not reimposed, and the right of forming Trade Unions was established; the men were defeated in the struggles at Bradford and Kidderminster, but by combining to maintain the standard of life they have secured, with the assistance of the Radicals, a large measure of freedom for joint action. 754

268. Anti-Pauperism. The methods adopted for the relief of the poor, by providing employment and granting allowances, were most demoralising under various forms of administration. Neither the overseers nor the justices exercised effective control; and there was need for a central authority to introduce a better policy. The Poor Law Commission reformed the workhouses, and abolished out-door relief for the able-bodied; it has been re-organised as a permanent department. 763

269. Conditions of Children's Work. The Economists feared that any shortening of hours would drive away trade and add to the distress of the artisans, but they were not ready to welcome interference, even where foreign competition was impossible. From the influence of Robert Owen, an agitation began against the over-working of children, and a Commission was appointed to enquire into the conditions of their labour in the woollen, linen, cotton, and silk mills. The early age of employment was a general evil, and the small mills had a specially bad reputation, but the irregularity of water-power gave an excuse for working excessive time.

Most of the evils, which were brought to light, had attached to cottage industry, and parents deserve a large share of blame as well as masters. The Commissioners of 1838 tried to isolate the question of child labour, and hoped, that shifts would be organised. Limits were imposed on the employment of children; and inspectors, acting under a central authority, were charged with enforcing the Act. The over-working of children could not be checked effectively till the hours for women were restricted; and a normal working day of ten hours and a half was at length established, in spite of the forebodings of experts who ignored the results of Owen's experience. 774

270. Distress of Hand-loom Weavers. The low standard of comfort of hand-loom weavers was not treated as a subject for State interference. The power-loom was superseding hand work; the concentration of weaving in factories gave facilities for supervision, and encouraged regularity and honesty, so that cottage weavers had no constancy of employment. The depression in the linen trade, during the transition to power weaving, was aggravated by the competition of Irish, and of cotton weavers; and in the silk trade, by the habitual spreading of work. The application of power to cotton-weaving was delayed through the cheapness of hand work, and led in the worsted trade to labour shifting. The woollen weavers had lost their abnormally high rates, and suffered a period of depression. State action seemed impracticable, but there has been improvement of wages from other influences, and the conditions for health of factory employment compare favourably with those that characterised cottage industries. . . . 790

271. Conditions of Work in Mines. The conditions of work in various industries were the subject of enquiry, and a strong case was established for interfering in regard to mines, when a Commission reported in 1840. The employment of young boys in mines had been increasing, but was now prohibited, as well as that of women under-ground, and a system of State inspection was organised. . . . 802

272. Conditions of Life in Towns. The conditions in which labourers lived attracted attention at the outbreak of cholera in 1831, in insanitary districts; and, after thorough enquiry, a Health Department was organised, but on an inadequate scale. The work of providing for the housing of the poor has been partly dealt with by building societies, though the problem is increasingly difficult either for individuals or municipalities. The new administrative machinery for social purposes is very different from that of the Stuarts, both in its aims and its methods. . . . 806

V. FACILITIES FOR TRANSPORT.

273. Railways and Steamers. The demands of manufacturing districts for improved transport were met by the development of railway enterprise, which was a boon to the public generally; but it accelerated the decline of rural life in England, especially after the system was introduced in America. The application of steam power to ocean transport was more gradual, and it has greatly benefited the commercial, but not the landed interest. . . . 811

274. Joint-Stock Companies. Under the influence of new conditions, facilities were given for the formation of joint-stock companies with limited

liability, and these were largely used for trans-oceanic shipping. The trade of the East India Company to India was thrown open in 1818, but the exclusive trade with China was retained till 1833. The abandonment of well-ordered trade through the Hongists, in favour of open competition, had disastrous results, when the last remnant of monopoly in ocean trade was given up. The danger of monopoly growing up for internal communication led to the interference of Government on behalf of the public, and to the institution of the Railway Commission. 816

* 275. **Banking Facilities.** The inadequacy, for modern requirements, of the credit system was brought out by the crisis of 1825, which led to a renewed agitation against the monopoly of the Bank of England, and to the development of provincial banks, and of London banks with the power of issuing notes. By the Act of 1844 the responsibility for issuing notes was concentrated in the Bank of England, but this did not prevent the occurrence of crises; the large amount of capital sunk in railway enterprise, and the necessity for large payments abroad, together with a sudden change, due to a good harvest, in the corn trade, brought about the crisis of 1847. The Bank has justified its position not so much by controlling the issue of notes as by maintaining the reserve. 822

* 276. **Public Policy in regard to Navigation.** The new conditions of commerce gave rise to an agitation by London merchants against the system of commercial regulation through the Navigation Acts. Reciprocal trade under treaties was adopted with several maritime powers, and preferential tariffs were arranged within the Empire. Though the privileges of English shippers were done away with in 1849, English maritime supremacy has been successfully maintained owing to the introduction of iron ship-building. 829

* 277. **Financial Reform.** Commercial progress had been hampered by the pressure of taxation; this was reduced, with the view of encouraging industry, before Peel undertook the thorough reform of the fiscal system. Under reduced rates, trade revived and revenue expanded. The change of system was tided over by the temporary imposition of an income tax, which has been retained as a regular charge, owing to its convenience. 833

278. **The Relative Depression of the Landed Interest.** Economic and political antagonism was roused against the Corn Laws, as recast in 1815, since they benefited a particular class, to the disadvantage of the manufacturing interest. The Irish Famine rendered suspension inevitable, and repeal followed in 1846. The policy of fostering a home-grown food supply was discarded as a failure, and the landed interest was relegated to a secondary place in the State, but the work of improvement was taken up by substantial tenants, before the full effects of foreign competition were felt. 840

279. **Effects on Ireland.** The depression of the landed interest was specially noticeable in Ireland after the Union, for she could not take advantage of the new commercial prosperity by obtaining markets for manufactures; and subsistence farming was maintained, with disastrous results in the Famine. The repeal of the Corn Laws deprived Ireland of an advantage in the English market, and the State has neither succeeded in attracting capitalist farmers nor in developing a peasant proprietary. 845

280. **Emigration and the Colonies.** The economic principles of *laissez*

laissez faire in commerce, combined with a belief that the colonies were an expense to the mother country and that they would gain by independence, rendered the English public indifferent to the retention of the colonies; while the colonists were irritated by occasional interference on behalf of native races in South Africa, and of negroes in the West Indies, where the long protected sugar industry has suffered severely. Protection was also withdrawn from Canadian lumber in accordance with Free Trade doctrine. Emigration was encouraged by Lord Selkirk and the Canada Company, and the advantages of systematic colonisation, as a means of relieving England of redundant population and a plethora of capital, were expounded by Wakefield, whose views were partly adopted in the development of Australia and New Zealand. He helped to create a new enthusiasm at home for colonial empire, while steps were taken, both in Canada and New Zealand, to introduce responsible government and thus plant English institutions and strengthen English influence throughout the world. 850

POSTSCRIPT.

A 281. *Laissez Faire* in Commerce. The treatment of the recent economic history of England presents unusual difficulties, especially in view of the development of political life throughout the British Empire. *Laissez faire* in commerce was long ago accepted as an ideal by individuals, both in England and America, and roused the enthusiasm of the opponents of the Corn Laws, but their expectations as to the action of other nations have not been fulfilled. It may be wise to abandon commercial *laissez faire* for the sake of securing our food supply, and obtaining an open door for our manufactures. This would harmonise with traditional Whig views of the benefit of commerce in stimulating industry and with the Tory tradition as to distributing the burden of taxation. 865

282. Analogy with the Elizabethan Age. Recent history presents a parallel with that of the sixteenth century, in the substitution of a new basis for economic organisation; in the effects of the discoveries of gold and silver on prices and on the relative value of the precious metals; in the facilities for the formation of capital; in the building up of great fortunes, and in changes in business organisation, which have been facilitated by the telegraph system. 871

283. The Physical Conditions of Welfare. Whereas Elizabethan statesmen aimed at promoting national Power and the means of attaining it, nineteenth century public opinion is concentrated on the Welfare of the masses, and the conditions for realising it. This affords excuse for exclusive attention to the interests of labour in England and her colonies; while the policy of other countries is more concerned with national Power, or the interests of Capital. The influence of labour is shown in the respective policies of England and her colonies, and in the development of Trade Unions, Friendly and Co-operative Societies. 876

~~284. The English Conception of Welfare.~~ The English conception of Welfare is distinct from that of other peoples, and includes a deep respect for historical tradition and an abandonment of any desire to assimilate

other peoples to the English model, as well as a high respect for human life, even in the cases of coloured peoples. 881

285. Imperial Administration. The Roman Empire had dealt with the same problems, but it was less fitted to grapple with them, from its military origin, its territorial character, and the economic pressure it entailed; while England has set herself to diffuse political power and to devise an uncorrupt and efficient system of civil administration in conjunction with democratic institutions. 883

III. PARLIAMENTARY COLBERTISM.

XI. THE ENGLISH REVOLUTION.

209. THE withdrawal of allegiance from James II. and accession of William III. were the outcome of the blows which had been struck at the authority of hereditary Monarchy during the Civil War. They mark a veritable revolution in the political life of England, since the changes at this juncture were no mere reform, when improvements were introduced into the machinery of government. The basis on which the whole polity rested was completely altered. The personal rule of the Crown gave place to the power of the people; for it was by popular invitation and Parliamentary approval that William attained the throne. Many constitutional questions were left for subsequent settlement; there was room for much dispute, both as to the precise relation of the king and his ministers to the popular voice, and in regard to the adequacy of the representation of the people of England in the House of Commons. Still, the main result was achieved, since Parliament, in which the House of Commons was a very important element, had attained supreme control over the affairs of the nation. The personal action of the Crown had been of the first importance in economic matters of every kind under Charles I.; the Court had swayed the course of affairs, especially as regards commercial and colonial concessions, under Charles II. From the Revolution onwards, however, it hardly counted as a separate factor, since the influence of the King was exerted through the aid of royal partisans in the Lords, or the Commons.

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*At the
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The new accession of power, which the House of Commons thus attained, involved a tremendous responsibility; the Lower House, containing as it did representatives both of landed men and traders, became the chief authority for

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discriminating between the claims of different interests, and for determining how far any of them were compatible with, or inimical to, the public welfare. It has already been pointed out that all interference with industry, or commerce, on public grounds must be beneficial to some individuals, and deleterious to others¹. In all State intervention in economic affairs, there is a constant temptation to subordinate the public good to some private gain. The reasons alleged for favouring particular interests were often extremely plausible; and in any case, the House of Commons of that period was singularly unfitted for the discharge of the delicate duty of promoting the material prosperity of the realm. The men who had come to the front, after the Revolution, do not seem to have been of a better type, morally or socially, than the members of the Long Parliament². In all probability they were less incorruptible; and their temptations were greater, as the resources in the hands of the moneyed interest were much larger than they had ever been before. The East India Companies were the chief sinners in connection with the bribery which went on during the last decade of the seventeenth century. Sir Josiah Child had made large presents to obtain royal favour, and now he was equally lavish in securing Parliamentary support³. The promoters of the new Company struck out a line for themselves, and bribed the electors⁴ as well as the members of the House. Constitutional changes had brought about a state of affairs in which their privileges rendered Members of Parliament free from the dread of royal displeasure, while there was little danger that their action would be criticised by their constituents⁵. However much William III. and his advisers might regret the necessity, they felt themselves forced to follow the example of Clifford and the Cabal, and purchase support in the Commons. The practice was developed still farther by Walpole, and it was by means of this guilty alliance, between the Crown and a section of the Commons, that the

¹ See above, p. 16.

² Davenant, *The True Picture of a Modern Whig*, in *Works*, iv. 128. See p. 188 above.

³ Macaulay, *History*, iv. (1855), 426, 551.

⁴ Bishop Burnet's *History of his Own Time*, iv. 464; Ralph, *History of England*, ii. 926.

⁵ Macaulay, *History*, iii. 544.

King's Government was carried on during the eighteenth century. The existence of such a system testifies alike to the real power which Parliament possessed, and to the unfitness of the House of Commons to exercise a wise control over economic interests. It is, of course, true that the taint, which attaches to legislative action during this period, does not suffice to prove that the measures adopted were wholly mistaken. Weighty considerations of public good were urged on behalf of the line of economic policy that was adopted during the period of Whig ascendancy. The scheme, which was carried out, contributed to the maintenance of some essential elements of national power. Still, it was pursued at the cost and to the detriment of a considerable body of English citizens, and some of the best contemporary writers were of opinion that the gain, which accrued to the public, was dearly bought¹.

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Two different views may be taken as to the nature of the advantage which accrues to a country from its foreign trade. From one point of view we may say that the consumer of foreign products obtains articles he desires to use on easier terms, or of better quality, than would otherwise be the case². On the other hand, we may take a different standard and gauge the benefit of trade by its reaction on native industry and the benefit which accrues to producers. This latter standpoint was adopted by Colbert; the principles which he worked out in France seemed to contemporaries to be brilliantly successful. Similar opinions as to the benefit of trade, and of the measures which should be taken to promote the prosperity of the country, were dominant in England during the period of Whig ascendancy. "For a hundred years past," as a Dutch writer observed in 1751, "the English have considered exportation, and sale of goods and merchandises abroad, as the only profitable and advantageous trade of that kingdom, and on the contrary left it very doubtful whether the importation of goods be beneficial

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¹ This was the view taken by North, Davenant, Barbon and other Tory writers. Compare Ashley, *The Tory Origin of Free Trade Policy in Surveys*, p. 268. At the same time it must be remembered that Davenant and the rest were not Free Traders in the modern sense; they did believe that it was the business of the statesman to foster and encourage trade, not to let it alone. See below, p. 867.

² See below, p. 602.

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or prejudicial¹." There was a close affinity between this economic position and the political aims of the party. The Whigs were hostile to France, and bitterly jealous of French influence politically; they were eager to attack the power they dreaded, by protective legislation. French competition was the chief rival which English manufacturers had to fear; and they were able to furnish the Whigs, who were nervously suspicious of French influence, with an excuse for checking intercourse with that country, and for hindering the development of its trade. A similar line of economic policy was adopted by the Whigs in regard to the manufactures imported from other regions. The English producers of textile fabrics alleged that their markets were spoiled by the importation of East Indian goods, and the Whigs were not averse to harass the trade of the great joint-stock Company, which had come under the rule of Tory magnates. There was a close connection between the political affinities of the Whig party and the economic scheme of protecting native industry. During the period of Whig ascendancy, the economic policy of the country became a thoroughgoing imitation of the principles of Louis XIV.'s great minister Colbert², though they were put into effect, not by royal mandates as in France, but by parliamentary legislation.

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210. The increasing power of the House of Commons is shown not only in the manner in which that assembly was able to determine the general lines of economic policy, but also in the new attitude which members assumed towards the administration. They were no longer content with criticising the blunders of the King's servants, but attempted to get the control of certain departments into their own hands. Students of the English constitution long believed that it was framed so as to ensure a severance of the legislative and executive powers, and this view appears to have been held by William and his most faithful supporters; but the House of Commons was not prepared to submit to this opinion, and succeeded in setting it aside.

¹ *Proposals made by his late Highness the Prince of Orange for redressing and amending the Trade of the Republic*, 28.

² On Colbert's system, compare P. Clement, *Colbert et son administration*; also Sargent, *The Economic Policy of Colbert*.

They passed Acts appointing commissioners¹ to enquire into administrative corruption. They had already secured full control over the collection of the customs², and they were on the point of creating a permanent Board of Trade of their own, with the view of maintaining the same sort of supervision over commercial affairs as had been hitherto exercised by the Privy Council. "In the end when all the errors with relation to the protection of our trade were set out, and much aggravated, a motion was made to create, by Act of Parliament, a council of trade.

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"This was opposed by those who looked on it as a change of our constitution in a very essential point: the executive part of the Government was wholly in the King: so that the appointing any council by Act of Parliament began a precedent of their breaking in upon the execution of the law, in which it could not be easy to see how far they might be carried; it was indeed offered, that this council should be much limited as to its powers; yet many apprehended, that if the Parliament named the persons, howsoever low their powers might be at first, they would be enlarged

¹ 18 W. III. c. 1. A dispute arose between the two Houses over this matter. *Parl. Hist.* v. 1321. The Lords had amended the bill and omitted the name of Edmund Whitaker, the solicitor to the Admiralty, who had failed to give any account of £25,000 of public money. See also Davenant's *Pictures, Works*, iv. 185.

² "We do not find, after the Restoration, the Crown in possession of a revenue consisting in part of a prescriptive duty on all merchandise, and also of an increase thereof by grant of Parliament known as a subsidy, the whole of which is collected by its own chosen methods, and administered at its own discretion for the public good. On the contrary, this former item of the sovereign's income had come to be regarded as part of the revenue of the State, assessed by authority of Parliament alone in the person of its Speaker, and collected more or less directly by an official department responsible not to the sovereign alone, as heretofore, but to the nation. During the reigns of the two first Stuart kings the Customs at the ports had been collected by farmers, an ancient, obnoxious, unprofitable expedient, and one which bore no resemblance to the lucrative tyranny of the system which prevailed under the same title on the Continent. Under the Commonwealth, however, this plan was completely changed, and the revenue derived from the new Parliamentary Customs was placed under the control of commissioners. Even after the Restoration, the same device (like most other financial reforms of the late régime) was continued, and was only changed in 1670 for a still more responsible method. From that date to the Revolution the gross income of the Customs was answered to the country by a Receiver-General, who was associated from the year 1688 with a Comptroller-General; and in this way the most fruitful branch of the ancient revenue of the Crown was converted from a source of royal income into a fund charged with some portion or other of the working expenses of the State." Hall, *History of the Customs Revenue*, i. 189.

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every session; and from being a council to look into matters of trade, they would be next empowered to appoint convoys and cruisers; this in turn might draw in the whole Admiralty to that part of the revenue, or supply, that was appropriated to the navy, so that a King would soon grow to be a duke of Venice; and indeed those who set this on most zealously, did not deny that they designed to graft many things upon it. The King was so sensible of the ill effects this would have, that he ordered his ministers to oppose it as much as possibly they could¹. The discovery of Charnock's plot against William's life² diverted public attention for the time, and the King, by appointing a permanent Board of Trade³, took away much of the excuse there had been for the agitation in the Commons.

Though foiled in this particular, the Commons had become, as a matter of fact, masters of the situation; they were in a position to exercise a practical control over the spending departments. "The government was plainly in the hands of the House of Commons, who must sit once a year, and as long as they thought fit, while the King had only the civil list for life, so that the whole of the administration was under their inspection⁴." By appropriating the money they voted to particular objects, they prevented the Government from engaging in action of which they disapproved. The Government was so circumscribed that it could not attempt to fit out a man-of-war for Captain Kid to employ against the Madagascar pirates; the expedition was organised at the private expense of Lord Somers and others, and the conduct of the affair was so discreditable as to give ample cause for complaint against those who had undertaken to finance the project⁵.

The powers of effective criticism and practical control which had been secured were ultimately of immense advantage, as they tended to purify the administrative corruption which had been the disgrace of the seventeenth century generally⁶. The executive power was not severed

¹ Burnet, *History of his Own Time*, iv. 288.

² Macpherson, *Annals*, ii. 681 n.

³ Burnet, *op. cit.* iv. 448.

⁴ *Id.*, *op. cit.* iv. 423.

⁵ Cromwell's rule appears to afford an exception, Macaulay, iii. 424. The government of Ireland in the eighteenth century seems to have maintained the

from the legislative body and was forced from time to time to justify itself to an elected assembly. But this was not all clear gain; parliamentary legislation was a much more cumbersome instrument for regulating industry and commerce than the administrative machinery which had been in vogue in the time of Elizabeth or Charles I. Under these monarchs the Privy Council had been able to watch the course of affairs from day to day, and to issue temporary orders which were enforced by the justices; Parliament had to be content with more general measures¹, and had no means of adapting them to circumstances from time to time. The Corn Bounty Law took account of an immense variety of conditions, and was intended to be a self-acting measure, under which a useful control might be exercised over the corn trade, and a steady stimulus given to agriculture. It was not possible, however, to devise similar means for dealing with the changing circumstances of commercial or manufacturing pursuits. Nor was Parliament in a position to give special concessions to individuals in order to promote any special branch of industry; the favourite expedient of the legislature was that of voting bounties. These rewards were open to all who practised the art which it was intended to encourage, and thus had no exclusive character; but whereas the system of patents had been inexpensive to the Government, this new scheme was very costly, as it afforded a minimum of advantage to the public at a maximum of cost to the State². Such grants were only too likely to call forth fraudulent attempts to obtain the bounties, without regard to the conditions on which they were offered. Malpractices of various kinds appear to have occurred in the linen³, and had to be guarded against in

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and practically controlled the administrative system.

The legislative method of fostering economic life by bounties

proved cumbersome and costly.

old traditions. Compare W. G. Carroll, *Life of Hely Hutchinson*, Introduction to the *Commercial Restraints of Ireland*, p. lxxviii.

¹ As had been advocated by Milles, see above, p. 223. The English method of settling all details by legislation rendered the system much less flexible than would have been the case if the practice of the French legislature had been adopted. See p. 207 n. 2, above.

² Adam Smith, *Wealth of Nations*, 'On Bounties,' Book iv. chapter 5.

³ "Whereas by reason of the bounty or allowances granted on the exportation of British and Irish linens, evil-minded persons may fraudulently endeavour to export linens of foreign fabrick and manufacture, and to receive the said bounties or allowances for the same, as if the same were of the manufacture of Great Britain and Ireland; and whereas certain stamps are required by law, to be put

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the herring trade¹. Protection in any form is apt to entail some unsatisfactory results in society, and the increase of smuggling was an evil which sprang directly out of attempts at the national encouragement of industry. It is impossible to estimate the pecuniary loss which occurred², and the demoralisation, which was due to these premiums on evading the law and on dishonesty, brought about a serious lowering of the ordinary respect for the law.

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211. The establishment of the Bank of England was another economic change which diminished the importance of the monarchy in the realm. It has been commonly remarked that, by linking the interests of the moneyed men to the revolutionary settlement, it played a great part in extinguishing the chances of a Jacobite restoration; but its constitutional importance lay far deeper than this. The organisation of this institution brought the power of the Crown to borrow still more completely under parliamentary control. When the taxes were assigned³, and the Crown lands⁴ administered by Parliament, there was little security that the monarch was free to offer to moneyed men, if he wished to borrow. At the Revolution, the House of Commons obtained a practical control, not only over the taxation levied from the landed men, but also over the advances made by the moneyed classes⁵. The crisis, when Charles I. had been

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upon linens, made in that part of Great Britain called Scotland, and in Ireland, which may have been put on foreign linens, in order to vend them as linens of the manufacture of that part of Great Britain called Scotland, or of Ireland." 18 G. II. c. 24.

¹ 5 and 6 W. and M. c. 7, § 10.

² The smuggling of wool to the Continent during the period when the export was absolutely prohibited attained enormous proportions; it was estimated in 1788 at 11,000 packs annually (Bischoff, *A Comprehensive History of the Woollen and Worsted Manufactures*, i. 241). Profitable illicit trade was carried on in many articles of import. Sir Matthew Decker (*Serious Considerations*, p. 5) alleges the case of one man in Zealand who exported to England half-a-million pounds of tea. He had started life as a common sailor, but prospered so that he had come to own four sloops which he employed in running tea.

³ The assignment of taxes and separate keeping of accounts lasted till Pitt's time, see Chisholm, *Notes on the Heads of Public Income and Expenditure*, in *Reports*, 1868-9, xxxv. Ap. 18, p. 811, printed pag. 827.

⁴ The Crown lands were almost valueless at the Revolution, *Parl. Hist.* v. 552. See also Chisholm, *Reports*, 1868-9, xxxv. Ap. 18, on Crown Lands, p. 915, printed pag. 481. *Commons Journals*, XLVII. 886, Report of the Board of Land Revenue.

⁵ Compare the Resolutions passed in 1681 on this topic. *Parl. Hist.* iv. 1294.

forced to rely on parliamentary backing in order to obtain advances, was the turning point in his career¹. Those who urged that a bank was inconsistent with monarchical government were not far wrong²; they observed that such institutions had only flourished in republics, such as Genoa, Venice, and Amsterdam; a bank created an *imperium in imperio* that could not be tolerated under an absolute monarchy. The Bank trenched in some ways on the royal prerogative; the maintenance of the purity of the circulating medium had always been considered as belonging to the royal honour; but a Bank which had the right to put its notes in circulation, and was responsible for maintaining their value, came at least to share in this part of

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ently,

¹ 16 Car. I. c. 7. "Whereas great sums of money must of necessity be speedily advanced and provided for the reliefe of his Majesties Army and People in the Northern parts of this Realm and for preventing the imminent danger this Kingdom is in and for supply of other his Majesties present and urgent occasions which cannot be soe timely effected as is requisite without credit for raising the said moneys which credit cannot be obtained until such obstacles be first removed as are occasioned by fears jealousies and apprehensions of diverse his Majesties Loyall Subjects that this present Parliament may be adjourned prorogued or dissolved before Justice shalbe duly executed upon Delinquents publike grievances redressed and firme Peace betweene the two Nations of England and Scotland concluded and before sufficient provision be made for the repayment of the said moneys so to be raised all which the Commons in this present Parliament assembled having duly considered Do therefore humbly beseech your Most Excellent Majestie that it may be declared and enacted And be it declared and enacted by the King our Sovereign Lord with the assent of the Lords and Commons in this present Parliament assembled and by the Authority of the same That this present Parliament now assembled shall not be dissolved unlesse it be by Act of Parliament" etc. Note. "This Act was not found amongst the original Public Acts of this Session at the Parliament Office, but is annexed to the Act for the Attainder of the Earl of Strafford amongst the Private Acts, and both the said Acts received the Royal Assent by Commission, being the only Acts which appear to have passed in that manner during this Session." *Statutes of the Realm*, p. 103.

² One of the first advocates of the establishment of a bank, Henry Robinson, argues against this view, which must have been current in 1641. *England's Safety*, in Shaw, *Writers on English Monetary History*, p. 56. Balthasar Gerbier urged on the Council of State that they had an excellent opportunity of founding a bank, as there was no longer a danger of its money being seized by the king. *Some considerations on the two grand Staple Commodities of England*, p. 6 (1651). The alleged incompatibility was felt, not only by the projectors of banks but by politicians. The objection is well put by T. Violet, *Appeal to Caesar* (1660), p. 20; and was borne in mind by the founders of the Bank of England, who say in anticipating the objections of opponents, "In all their Peregrinations they never met with Banks nor Stocks anywhere, but only in Republicks. And if we let them set footing in England we shall certainly be in danger of a Common wealth." *A brief account of the intended Bank of England* (1691), p. 8. *Brit. Mus.* 1189. d. 10.

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and
changed
the centre
of gravity
in the
State;

monarchical responsibility. It had long been notorious, too, that the possession of wealth gave the command of power¹; the concentration of wealth in the hands of the Directors of the Bank enabled them to exercise an economic influence; the resources at their command were not exceeded by the sums which the King could control; it was hardly too much to say that the Bank overbalanced the Crown as a power in the State. Hitherto the continuity of the government had depended chiefly on the succession to the throne; and there were possibilities of violent reaction with each new accession; but the existence of the Bank gave an important guarantee for the maintenance of the same general principles of rule under any monarch; national bankruptcy, rather than the dangers of disputed succession to the Crown, became an object of dread. The Bank proved itself to be compatible with monarchy, only because the monarchy was now greatly limited by the provisions of the constitution². Hence it came about that the moneyed men, whose prosperity was involved in the maintenance of credit, were intensely afraid of the return of the Stuarts, and lent the whole of their influence to the Whig party and the Hanoverian succession. They were thus in a position³ to expect that attention should be paid to their views on economic questions, during the period of Whig ascendancy, and they were not disappointed.

The foundation of the Bank of England was by far the most striking incident of the period, in the economic history of the country internally. We have seen, during the seventeenth century, the importance of new opportunities for the

¹ This Aristotelian principle is applied to the internal affairs of modern countries by Harrington in his *Oceana*. He traced a connection between the distribution of wealth and the distribution of power within any country. His treatise was suggested by considering the changes (Toland's *Life*, prefixed to Harrington's *Works* (1737), p. xvii] of property and power which had occurred since the time of Henry VII. The rise of a moneyed class, in the latter part of this period, with the rivalry between the landed and moneyed interest which ensued, is an interesting illustration of his principle. In accordance with republican doctrines, to which he was strongly attached, it followed that a wide distribution of wealth was a necessary condition for good popular government [Harrington's *Works* (1737), 78], so that the possessions of the many might overbalance those of the few.

² Addison, *Spectator*, March 8, 1711.

³ Compare the influence of moneyed citizens under Richard II. Vol. I. p. 881.

formation and intervention of capital, but these were immensely enlarged in the eighteenth century, by the rapid development of credit in all its forms. The institution of the Bank of England not only gave stability to the Government, but provided the means for material progress of every kind. It has been the very heart of the economic life of the country during the last two hundred years, and we must look closely at the character of the new Bank, and the circumstances under which it was launched. We shall then see how these new facilities for the formation and investment of capital gave scope for extension in commerce and in industry. The greater activity at the centre, synchronised with an expansion of the sphere in which the commercial system of England was consciously maintained.

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—1776.

and the Bank also gave facilities for commercial advance.

212. The success of the representative assembly, in controlling the power of the Crown, led indirectly to an enormous expansion of its sphere of influence. At the time of the accession of James I., Parliament had no occasion to concern itself with anything outside the limits of England and Wales. Scotland was a distinct realm, with its own Parliament; Ireland was also a separate kingdom, in which the House of Commons took little interest; foreign trade was in the hands of companies, which held patents from the Crown; and as the plantations were founded, they were similarly controlled. It was only as trade reacted on the well-being of English taxpayers, that Parliament had ventured to meddle with it at all. But after the Revolution, this was entirely changed; the increased power of Parliament gave it a status for exercising both an economic and political control over the whole of the territory under English rule. The dominant party in Parliament was inclined, by its traditional principles, to take a somewhat narrow view of its duties to Englishmen in distant regions, while the colonists were even more jealous of the interference of Parliament than of the exercise of authority by the Crown¹.

The Whigs exercised their new power over the plantations

in a jealous spirit,

It was, of course, true that the establishment of the plantations had involved a considerable drain on English resources, both in men and money; there were many people

¹ Fiske, *Civil Government*, 156.

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—1776.

*as they
were
afraid of
any hostile
compe-
tition with
the mother
country,*

in England who were indifferent to the existence of the colonies, and who only approved of them in so far as they supplemented the resources of the English realm as a whole. There was a general consensus of opinion that the colonies should not be permitted to do anything that would undermine the power of the mother country; and the Whigs especially insisted that the growing communities should not enter into hostile competition with the industry and trade from which the revenue of the mother country was largely drawn. Hence there was room for much economic jealousy of the American plantations and of Ireland; this worked more or less strongly according as the products of the dependency interfered with those of England, or did not. There was no economic rivalry between England and the West Indies or Virginia, as the sugar and tobacco they produced had not been grown at home. The Northern colonies, on the other hand, were well adapted, by climate and situation, to furnish some of the products which the mother country could and did supply. In the case of Ireland this was still more marked; for Englishmen had actual experience of being undersold, in the victualling trades and the woollen manufacture, by the inhabitants of that island. Scotland, less favoured as it is by climate and soil, excited no similar fears. The degrees of favour or disfavour shown to different members of the English economic system under Parliamentary rule, can be traced to the application of this principle of refusing to tolerate hostile competition with the products and industry of the predominant partner.

*or of any
colonial
intercourse
with the
French,*

Not only were the sister kingdom and the colonies injuriously affected by the economic doctrines of the Whigs, but also by their political jealousies. Their bitterness against France, and the success which they achieved in preventing the resumption of trade with that country after the Treaty of Utrecht, were distinctly baneful to many of the members of the English system. Scotland and Ireland had long had a profitable trade with France, and they were forced to relinquish it, or to have recourse to illicit methods of conducting it. The Northern colonies suffered too, for

they were hampered in their efforts to establish commercial relations with the French West Indian islands. By far the larger part of the grievances which were felt under Parliamentary rule, both in Scotland after the Union, and in America before the Declaration of Independence, was created by the anti-French economic policy which found favour in Parliament.

The prosperity of the colonies was sacrificed, in so far as the views of the Whigs on foreign policy prevailed, and their dread of royal authority exercised an even more malignant influence. The Whig party in Parliament were heirs of a firm determination to limit the power of the Crown; they looked with jealousy on the prosperity of any part of the British dominions from which the king could draw independent support. This motive had been consciously at work in the legislation in regard to Irish cattle, and it had not a little to do with forcing on the Parliamentary Union between England and Scotland. The English House of Commons were in serious difficulty about using the power of trade regulation, they had gained at the Revolution, till the time came when they were able to make their authority felt over the whole of Great Britain. The Darien scheme brought the possibilities of trouble into clear light. The ambition of the Scotch to engage in the commerce of the great world, might possibly have been advantageous to the head of a Dual Monarchy¹, or it might not; there could be no doubt, however, that it was fraught with dangers of every kind, political and commercial, to the English Parliament. Englishmen recognised that Scotland was in a position to inflict irreparable damage on their commerce, and that the existence of an independent Scottish Parliament was a source of serious danger². The Darien Company had been authorised by the Scotch Parliament, in 1695, to colonise, make fortifications, fit out vessels of war and contract alliances. Their settlement in Darien was to have been a free port, which would have seriously affected the success of the English navigation policy. They hoped to

*and specially
of a jealous of
the increase
of any inde-
pendent
sources
of royal
revenue.*

*The
Scottish
Darien
scheme*

¹ On the possible arming of the Scots, see Swift, *Public Spirit of Whigs, Works* (1824), iv. 250.

² Mackinnon, *Union of England and Scotland*, 25.

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—1776.

*awakened
hostility
and sus-
picion*

break through the monopoly of the East India Company; they had secured the Parliamentary authorisation for which the English Company were pleading in vain; they opened an office and received subscriptions in London. They were preparing to compete in those trades which Englishmen prized most highly; while the Scottish project also aroused the Spaniards, and strained their relations with Englishmen, both with regard to the West Indian and the African trade. The schemes for trading with Archangel, which the promoters of the Darien Company cherished, and of carrying on the whale fishery, were opposed to the interests of the Russian and Greenland Companies. On every side the leading English trades were threatened; and the embroglios with the Spaniards which followed rendered it impossible for King William to support his northern subjects in their great undertaking. The seeds of failure were thus sown in the expedition from the first; and the Scottish indignation, which was roused by the narrative of the survivors who returned from Darien, was embittered by the sense of a pecuniary loss which the country could ill afford. The English merchants were anxious to prevent the recurrence of similar attempts at competition. They had learned that a complete legislative Union of the two countries must be procured at any cost¹.

*which
could only
be set at
rest by a
legislative
Union.*

The Dual Monarchy had not been a satisfactory arrangement from any point of view. There was a trend, both of men and money, from the northern kingdom to the seat of government, which was not welcome in England, and which was bitterly denounced in Scotland. Their brief experience

¹ For an excellent account of the Darien Company see J. H. Burton, *History of Scotland from the Revolution*, I. c. viii. The Darien Company suffered from the want of experience of its directors, and from almost every one of the difficulties which were felt in the more powerful English companies. As a trading concern, the management was entirely ignorant of the right commodities for export; as a colony, there was no proper government which could restrain the disorderly and buccaneering elements; and the capital was quite insufficient for the projects they had in view. It had been raised with some difficulty in Scotland, and though the shares were all taken up, it was not a *bona fide* subscription, as some of the shareholders received promises from the Company guaranteeing them against actual loss (ib. I. 297). The general impression which was abroad, that the tropics were fertile and wealthy, prevented the directors from sending out the supplies which might have saved the colonists from utter ruin.

of freedom of intercourse, during the Interregnum, led many of the Scotch to desire a commercial union between the countries. The project was the subject of negotiations in 1667¹, but no terms were arranged and the distress in Scotland continued. It was asserted that Scotland had declined rapidly both in population and wealth since the union of the Crowns. "Into this Condition hath this Nation been brought by this loose and Irregular tye of the Union of the Crowns, a state wherein we are not considered as Subjects nor allies, nor Friends nor Enemies, but all of them, only when, where, how and how long our Task Masters please²." It had thus become apparent that some change was requisite in the relations which subsisted between the two countries; and when the Commissioners met to devise a scheme, the English were determined to have a legislative, as distinguished from any form of a federal union, and insisted that this matter should be voted on first, before entering on the discussion of any points of detail³. When this principle was once secured, they appear to have treated the Scotch Commissioners generously on all points of detail. The quota which Scotland was to pay towards a land tax of four shillings in the pound was £48,000 as against £2,000,000 from England⁴, while certain duties on malt and coals, which were to expire within a brief period, were not imposed upon Scotland at all. But besides this, Scotland received a considerable payment as an equivalent for incurring a share of responsibility in the debt with which England was burdened. The portion of each class of taxation, whether customs or excise, which was appropriated to the English debt was taken, and the proportion which they bore to the whole customs and excise in England was calculated out⁵. Similar calculations in regard to the different branches of the Scottish revenue brought out the fact that £398,085. 10s. would be a fair equivalent to be paid to Scotland, for accepting obligations in respect of

The Dual Monarchy had worked unsatisfactorily in Scotland,

and the details of the actual scheme of Union

¹ *Hist. MSS. Comm.* i. Ap. 55. Mackinnon, *Union of England and Scotland*, 10.

² *Proposals and Reasons for Constituting a Council of Trade*, 1701, Introduction, p. 3. *Brit. Mus.* 1029. a. 6 (1).

³ Burton, i. 407.

⁴ *Ib.* i. 412.

⁵ *Ib.* i. 415.

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—1776.

the English National Debt by submitting to an incorporating union. This sum was to be applied to winding up the Darien Company and paying other debts¹, and to making the necessary changes in the coinage; while the balance formed a fund for promoting Scotch fisheries and manufactures².

*disarmed
Scotch
opposition
generally,*

The treaty, thus arranged, was carried through the Scotch Parliament in spite of the indignant protests of Lord Belhaven. There was indeed one trivial circumstance which caused much friction, after the matter was settled³. The collection of the Scotch customs had been farmed out, and naturally this arrangement came to an end when the separate Scotch taxation ceased. The farmers of taxes, knowing that their time was short, found it most profitable to levy small duties and admit large quantities of goods, with which the English markets were eventually flooded. This brought about considerable commercial disturbance for a time, but no special measures were taken, as there seemed to be no likelihood that the occurrence would be repeated.

*but the
economic
effects
were not
obviously
beneficial
at first,*

The figures as to revenue, given above, may perhaps serve better than any others that are available, to indicate the relative economic importance of the two kingdoms at the time of their union. It does not appear that much progress was made in Scotland during the first half-century after the Union⁴. It is not improbable that Scottish manufactures suffered by free communication with English towns, and that the steel manufacturers at Falkirk, and the glovers of Perth, were not so prosperous after the Union as they had been before. There can, however, be no doubt that, despite this immediate loss, Scotland gained eventually from being included in the inner circle of the English economic system, and sharing in the fostering care which Parliament bestowed on the commerce and manufactures of Great Britain. The

¹ The amount actually allotted to this purpose proved to be insufficient, and the creditors were incorporated as the Royal Bank of Scotland in 1727. The monopoly of the Bank of Scotland was thus broken down. See p. 454 below.

² See below, p. 454.

³ *Parl. Hist.* vi. 579.

⁴ Mackinnon, *op. cit.* 469, 482. For an excellent account of the condition of Scotland just before the Union see *Proposals and Reasons for constituting a Council of Trade* (1701).

trading and industrial classes in the Lowlands found that, during the period of Whig ascendancy, their political principles had the upper hand, and that the economic maxims, which were influential at Westminster, were most favourable to their own material interests. Since 1707 the fiscal and economic affairs of the whole island have been effectively controlled from one centre; and under the Parliament of Great Britain, Scotland has been stimulated into developing a vigorous economic life, which is moreover remarkably independent of that of the southern kingdom.

A.D. 1699
—1776.

*though the
ultimate
results have
been good.*

XII. PUBLIC FINANCE.

213. Attention has been directed above to the profound political significance of the formation of the Bank of England¹, and to its bearing on the authority of a constitutional monarch. The changes in business practice it brought about and the stimulus it gave to trade were important, but the main motive of its founders lay in the fact that they had devised a new expedient in finance². The Bank rendered public borrowing much less onerous than it had ever been before³.

*The organi-
zation of
the Bank
superseded
the practice*

The Kings of England had been in the habit, from time immemorial, of borrowing in anticipation of the taxes, and obtaining money for immediate use by guaranteeing repayment when certain forms of revenue were collected. Charles I. had been deeply indebted to the farmers of the

¹ See p. 411 above.

² The Bank of Genoa had been called into existence in 1407 to finance the State debts, and its foundation was in some way analogous to that of the Bank of England. The Banks of Venice (1587) and Amsterdam (1609) were called into being to meet commercial rather than political requirements.

³ For its influence on the currency and the trading community see below, p. 442. There was little that was original in the project, as many similar schemes had been proposed; but none of them had taken practical shape. One of the earliest was that of Christopher Hagenbuck in 1581 (S. P. D. El. cl. 78). Compare also Sir Paul Pindar's letter, *A Discourse concerning the erecting a Bank for the Crown upon occasion of the King's demanding a Loan from the City* (Brit. Mus. Lans. MSS. cviii. 90); also Sir Robert Heath's project in 1622 (S. P. D. J. I. cxxx. 29, 31, 32). W. Potter suggested a land bank, under the Commonwealth (*Humble Proposals*, 1651). Sir John Sinclair mentions *A Description of the Office of Credit* (1665) and the *Proposals to the King and Parliament of a large Model of a Bank*, by M. Lewis (1678), *History of the Public Revenue*, III. 237.

A.D. 1689
—1776.

*of borrowing
in anti-
cipation of
particular
branches of
revenue;*

*and the
granting of
permanent
annuities
gave the
Govern-
ment
command*

customs¹. When the Long Parliament declared them delinquents for their action under the personal government they got into serious trouble²; but the same practice was continued by Parliament³. Charles II. habitually relied on advances⁴ from the Goldsmiths; and even the stop of the Exchequer in 1672, by which the repayment of moneys lent to the Government on the assignment of taxes was indefinitely deferred⁵, did not put an end⁶ to a practice which the Commons viewed with much suspicion. But the demands of William III. could not be met by such expedients; the sums required were so large, as to exceed the proceeds of any possible taxation. As the accustomed security for the money lent was not forthcoming, borrowing in anticipation of revenue became more and more difficult. Attempts were made to procure the necessary supplies by Tontines and Life Annuities, and subsequently by the issue of Exchequer Bills⁷. The proceeds thus obtained proved comparatively small, however; and the immediate success attained, when the Bank of England was actually floated and the necessary capital subscribed, came as an immense relief to the Government, which was in terrible straits for want of money. The State obtained £1,200,000, without giving any security for the return of the principal, and by merely providing for the regular payment of £100,000 as interest. This scheme, the credit of which appears to be due to William Paterson⁸, was attractive to those persons with

¹ He does not appear to have been able to repay these advances. On Charles's alleged breach of faith in regard to the money of English merchants, see Robinson in Shaw, *Select Tracts and Documents illustrative of English Monetary History*, 56.

² The Long Parliament fined the farmers £150,000 as delinquents, for collecting the revenue on regal authority (*Commons Journals*, II. 156, 157).

³ *Commons Journals*, III. 2.

⁴ The possibility of dispensing with these advances and thus saving interest was one of the advantages which led Killigrew to advocate the erection of a Bank in 1668. *A Proposal*, p. 5.

⁵ Shaw, *The Beginnings of the National Debt*, in *Owens College Historical Essays*, 391.

⁶ Compare Mr Chisholm's *Notices of the various forms of Public Debt*, in *Accounts and Papers*, 1857-8, XXXIII. ms. pag. 247, printed pag. 92.

⁷ See below, 441. Power to issue these bills, bearing interest at 5d. per cent. per diem, was given by 8 and 9 W. III. c. 20, §§ 63, 64.

⁸ Andréades, *Histoire de la Banque d'Angleterre*, I. 82. The failure of Paterson's other great project—the Darien scheme—ruined the reputation of this remarkable

money, who desired to bargain for the payment of interest in perpetuity, and did not wish to insist on having a right to claim the repayment of the principal at a definite date. The terms offered were criticised at the time as unnecessarily favourable¹ to the lenders, but it was certainly an advantage to William to obtain the command of the money so easily.

A.D. 1699
—1776.
*of large
sums on
easy terms,*

The new expedient thus devised proved convenient to the Government and popular with moneyed men, so that both political parties had recourse to it in turn. This financial policy was, however, more especially associated with the Whigs. Its inception was due to them, it harmonised with their fundamental principle of keeping the resources of the realm under Parliamentary control; and as many of their supporters had subscribed to the Bank, its prosperity as an institution coincided with the interest of their political friends. But from the first it roused the jealousy of the landed interest; they felt that they were placed at a disadvantage, since they were heavily burdened with permanent taxation, by a system of finance which afforded the moneyed men a remunerative investment. The Tory scheme of a Land Bank was an attempt to organise the new finance on lines in which it should subserve the interests of landed men; but after its impracticability had been demonstrated², the jealousy felt by the landed proprietors of the power of goldsmiths and bankers became more pronounced. For all that, the Tories were forced to acknowledge and rely on their help. So long as successive administrations had urgent need of money, and found men who were willing to lend it, they could hardly be expected to adopt the unpopular course of largely and immediately increasing the taxes.

*but in
accord with
the Whig
principle
of parlia-
mentary
control.*

The fact that the new system was convenient is sufficiently obvious, but there is some reason to doubt whether it was justifiable. The question whether it was really of man, and has inclined subsequent writers to discount his share in starting the Bank. Doubleday assigns a large part in the inception of the Bank to Bishop Burnet, who is also said to have followed Dutch precedents in the matter (*Financial History*, p. 64). The Dutch debt at this time involved an annual charge of £1,000,000 in interest, Davenant, i. 248.

*The
financial
expedient
proved
convenient,*

¹ Davenant, *Essay on Ways and Means*, i. 24, thought the attraction of 8% diverted capital from trade. Many Dutch capitalists were glad to take advantage of the offer.

² See below, p. 452.

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—1776.

but there
was a real
danger of
imposing
a burden on
posterity

political advantage to the country, in the long run, has provoked an immense amount of discussion¹. Various writers have held that each generation should make immediate provision² out of taxation for paying off the debt incurred by any wars in which they had engaged, and that it was unfair to burden posterity with the cost of their undertakings³. But it was often plausible to urge that after-generations were gainers by the struggles in which their fathers engaged, and that it was entirely just that the burden should be distributed over a long period of years. If the funds are used in connection with some contest which involves the very existence of the nation, there is much to be said for this view; but the precise benefit ac-

¹ The public mind has become habituated to the existence of national debts, but the case against them occasionally finds a vigorous exponent, especially in view of the decline of Holland, which was regarded as due to the pressure of the taxation which was necessary in order to meet the interest on the debt. "Up to times of comparatively modern and recent date, therefore, the idea of any persons, in a real national exigence, when perhaps national existence was at stake, offering to lend money to their country 'at interest,' was deemed just as absurd as would be a child offering to lend its pocket-money to its father 'at interest,' when both were in danger of wanting a dinner! It was reserved for what is strangely termed 'an enlightened era,' to hatch this monstrous absurdity, which, until it was put into practice, would not have been deemed wicked, but silly. Strange turn for matters to take at an 'enlightened era'; and stranger still, that such a notion should first strike root in the skull of a countryman of 'Grotius': but so it was. It was in the muddy and huckstering brain of a Dutchman, somewhere about the middle of the seventeenth century, that this pestilent scheme was engendered; and in the huckstering country of Holland was first presented to the eyes of the world the spectacle of a 'National Debt.' The 'Lernaean Fens' engendered the 'Hydra'; and amidst the swamps of the 'Zuyder Zee' was generated this far worse than the fabled monster of the poets! After all, however, the soil is sufficiently worthy of the tree. The Dutch, though they have produced one or two great men, are a nation remarkable for low, peddling, greedy, and huckstering notions; but they have this excuse, that, being a small and weak state, they have been continually, by their position, compelled to make efforts beyond their strength; and this it was, no doubt, which first tempted them to plunge into that most preposterous and wicked system, of which I am now to give the detail. With a country almost naturally defenceless, engaged by position and religion in conflicts far beyond their real national strength, surrounded by strong and often hostile powers, the Dutch at length became so exhausted by the pressure of the taxes they paid, as to sacrifice before the shrine of mammon those liberties which they had preserved from ambition." Doubleday, *Financial, Monetary and Statistical History of England*, 48. Compare also the writers quoted by Macculloch, *Dictionary*, s.v. Holland.

² An attempt in this direction was made by the Acts 8 and 9 W. III. c. 20 § 41.

³ Davenant, i. 80. He thought it specially unfair in England, *ib.* 256. This principle is laid down by Jefferson, *Memoirs, Correspondence, etc.*, iv. 200.

cruing to subsequent generations from the military triumphs of the past, can hardly be assessed in terms of money. It is impossible to say what quota of the expense of Marlborough's campaigns could be fairly imposed on Englishmen in the latter part of the nineteenth century. Political gains and military successes are often very transient advantages. If it is fair to postpone the reckoning, it is also necessary to take account of the rapid depreciation which affects this species of national gain. It is not easy to adduce good reasons for deferring payment for military expense for more than a generation, and there is an undoubted danger that statesmen, who find they can obtain money easily, may be more tempted to engage in reckless undertakings, than if they were compelled at every step to look at ways and means. However this may be, it may still be said that the possession of such a powerful instrument of finance cannot but be beneficial to the country, even if we are forced to admit that it has not always been used with discretion.

A.D. 1689
—1776.

without
compensating
benefits.

The chief point, at which the new system of finance lay open to criticism, was in the rapid increase in the charges which had to be defrayed by annual taxation, in consequence of the necessity of paying interest on the growing national debt. Charles Davenant, who discussed the new methods from a Tory standpoint, noted that when there is a heavy permanent burden, there tends to be less room for new exactions on occasions of special emergency¹; and after twenty years' experience, this objection ceased to be closely associated with Tory jealousy. It became obvious to all dispassionate observers that the system had been pursued to a dangerous extent. Archibald Hutcheson wrote most judiciously on the subject, and analysed the losses to the community from the pressure of debt, in the rise of prices, the depression of trade, and payment of interest to foreigners². He urged that immediate steps should be taken to effect the repayment of the debt, as it stood in 1717. He would have appropriated a tenth part of all real and all personal estate to this object, as he believed that there would be such a revival of prosperity, when the pressure of taxation was lightened, that the landed interest, the trading interest, and the moneyed

and of
increasing
the charges
on revenue.

¹ *Essay on Ways and Means*, in *Works*, i. 28.

² *Collection of Treatises*, p. 20.

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—1776.

and
Walpole
endeavour-
ed to pay
off the
principal
by means
of a
Sinking
Fund.

interest alike would share in the general gain¹. As an alternative he proposed that a million should be set aside annually to form a sinking fund, in the expectation that, if no new wars broke out, the nation would be relieved of the burden of debt in the course of thirty years². A somewhat similar scheme was actually set on foot by Sir Robert Walpole³; but he was not sufficiently careful to introduce the necessary safeguards, and to ensure that the money set aside should be actually devoted to the repayment of debt, and to no other purpose. In the first few years of the existence of this Fund, there was an inconsiderable reduction of total indebtedness⁴, as the new debts incurred did not quite equal the amounts paid off. After 1733, however, all attempts to keep the Sinking Fund inviolate ceased, and it completely changed its character; payments of every sort for current expenses were habitually charged to it, and it was replaced, in 1786, by the establishment of the Consolidated Fund. At that date, out of the £200,607,110 which had been paid to the credit of the Fund during the seventy-two years of its existence, only £23,984,344 had been devoted to its ostensible object⁵. No real success attended the attempts of financiers to reduce the total of the national obligations, though they were occasionally able, by a process of conversion, to diminish the charges for interest⁶. They were, moreover, forced to be constantly on the outlook for additional sources of revenue, from which the expenses of government and the payment of interest might be defrayed, and this necessity was the underlying motive for the scheme of taxing the colonists.

The fiscal
system of
the country

214. The fiscal system of the country had been entirely reconstructed during the Civil War. The fifteenths and tenths, and the Tudor subsidies, which remained under Charles I., had failed to meet the requirements of Government, and his opponents had to organise a revenue system

¹ Hutcheson, *Collection of Treatises*, pp. 20, 22.

² *Ib.* p. 78.

³ 3 Geo. I. ca. 7, 8, 9.

⁴ Nathaniel Gould, *Essay on the Publick Debts of this Kingdom* (1727), in Macculloch, *Select Collection of Scarce Tracts on the National Debt*, p. 68.

⁵ Chisholm's Report in *Accounts and Papers*, 1868-9, xxxv. 767.

⁶ In 1717 the rate of interest on Government securities was reduced from 6 to 5 per cent. and in 1727 from 5 to 4 per cent. Bastable, *Public Finance*, 558.

under the pressure of immediate necessity. The practical common sense of the Parliamentary party, in meeting the sudden emergency caused by the War¹, received the highest proof of approbation from the Restoration Parliament; since financial expedients, which had been specially devised in order to meet temporary exigencies, were deliberately retained as convenient for raising a permanent revenue. The scheme, which was adopted at the Restoration, did not prove sufficient for the ordinary expenses of government², and was totally inadequate as a means of raising money for the great continental struggle in which William was engaged; and much interesting discussion took place as to the best ways and means of supplying the war. Davenant, and other Tory writers, had argued that a readjustment of the taxes levied on commodities would prove very fruitful; they believed that an ample revenue might be provided in this fashion, and that it would be unnecessary, except in the direct emergencies, to have recourse to the dangerous system of borrowing. They maintained the principle that the incidence of taxation should be distributed as equitably as possible, so that all the various sections of the community might be called upon to contribute according to their means to the necessities of State. It appeared to them that the burden of taxation pressed with undue severity on the landed men. Davenant points out that in ancient times personal as well as real property had been taxed, and insists that the same course should be taken in his own day. "The usurers, who are the true drones of a commonwealth, living upon the honey without any labour, should, of all people, be brought in to bear their proportion of the common burthen. As yet they could never be effectually reached, but they may be fetched in by the wisdom of a Parliament, if the House of Commons would please resolutely to set themselves about it³." Davenant himself would have liked to see the income

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had been
reconsti-
tuted
during the
Inter-
regnum,

and pro-
posals were
made to
render
it more
equable and
fruitful

¹ "The late king having the command of the Inlands and the Parliament of most of the seaports, they had no better way than to put an excise on goods, whereby their enemies, making use of the said goods, paid the excise, and so the Parliamentary Army." *Trades Destruction is England's Ruin, or Excise Decried*, by W. C., 1669, p. 5 [Brit. Mus. 518. h. 1 (2)].

² Shaw, *Beginnings of National Debt*, in *Owens College Historical Essays*, 400.

³ *Ways and Means*, in *Works*, i. 57.

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by develop-
ing the
excise,

though
this was
objected to
both on
economic

from money subjected to direct taxation, which might correspond to the tax on the rental of land¹; but the times were not yet ripe for anything of the nature of an income tax². As an alternative expedient for distributing the incidence of taxation more widely, he had to fall back upon an excise³. This had been the favourite expedient of Charles I.'s advisers, though it had not been enforced till Pym took it in hand⁴. Davenant was aware that the scheme might prove impracticable; "unless the nation does unanimously and freely give into excises, upon the full conviction that they are the best ways and means of supplying the government, it will not be the interest of any king to desire such a revenue. For if they are carried but by a small majority, against the sense and grain of a considerable part of the House of Commons, they will come so cramped in the act of Parliament, and loaded with so many difficulties, that they will only occasion great clamours in the kingdom, and not yield much money⁵." There was much ingenuity in his scheme for graduating it, so that it might fall chiefly upon the luxuries of the rich, and to only a small extent upon the necessities of the poor⁶. He hoped that, by a strict enforcement of the assize of bread and beer, it might be possible to prevent such a tax from having a serious effect upon prices⁷; and that the machinery of collection might be organised without the necessity of inquisitorial interference with private life⁸. But, when the advocate of the scheme admitted that so many difficulties had to be faced, there need be little surprise that responsible statesmen made little attempt to follow his advice. There were besides two objections to the extension of the excise. Economic theorists like Locke⁹ were opposed to it; they held that all such taxation fell ultimately upon the land¹⁰; they argued that it was wiser to levy it

¹ He calculates the money lent in interest at £20,000,000; and takes the rate of interest as 5%, and the income as £1,000,000. A four shilling rate on this sum would yield £200,000 (*Works*, i. p. 58). A similar proposal was revived in 1759 by the author of *Thoughts on the pernicious consequences of borrowing money* (Trin. Coll. Lib. T. 2. 183).

² See p. 889 below.

³ Davenant was himself a commissioner of excise.

⁴ Dowell, *Taxation*, II. 9.

⁵ *Ways and Means*, in *Works*, i. 71.

⁶ *Ib.* 63.

⁷ *Ib.* 64.

⁸ *Ib.* 67.

⁹ *Considerations*, in *Works*, v. 57.

¹⁰ Davenant did not deny that "all taxes whatsoever are in their last resort

directly on that fund, rather than to cause disturbance to prices by levying it on commodities¹. But there were also objections of a political character; the excise was a branch of revenue which had been assigned to the Crown; to touch it in any way was difficult; and to leave it in royal hands, and make it much more productive, would be to render the Crown less dependent on Parliament². Under the circumstances, it is not surprising that little was done to give effect to Davenant's views; the taxes on malt³, and leather⁴ imposed under William III., were in accordance with his principles, and further steps were taken during the reign of Anne, in charging duties on candle-making, soap, painted calicoes and starch⁵; the Stamp Act, which was levied on newspapers and advertisements, may be placed in the same category.

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and
political
grounds.

a tax upon land," but held that "excises will affect land in no degree like taxes that charge it directly." *Ways and Means, in Works, i. 77.*

¹ Sir Matthew Decker advocated a graduated tax on houses, as a means of imposing an equable burden on all classes and raising a million annually which might be used for the discharge of the debt. *Serious Considerations on the several High Duties*, London, 1744, p. 17. This is undoubtedly Decker's; the seventh (1756) edition bears his name, as well as the title-page of Horsley's reply (*Serious Considerations examined*, 1744). A more ingenious proposal was put into shape in 1789 in an *Essay on the Causes of the Decline of the Foreign Trade* (1744), Brit. Mus. 8246. h. 1, which was attributed to Richardson. It is full of excellent criticism on the then existing arrangements for taxation, and it proposes to replace all existing exactions, both local and national, by a single tax which should fall on everyone all round; so far it coincides closely with the plan that was advocated by Sir Matthew Decker, but this new tax was not to be a tax on consumption but a tax that should be levied directly, by compelling everyone to take out a license for all sorts of articles of luxury which they might intend to use. The tract was reprinted more than once and appears to have attracted a good deal of attention. It is mentioned here as a curiosity in sumptuary proposals, and as an ingenious attempt to touch the pockets of the consumers directly with the least possible interference with trade, p. 44. Temple (*Vindication of Commerce*, p. 37) and Caldwell (*Debates*, II. 782) attributed it to Decker, but the disregard of Decker's own scheme, and the condemnation of the Navigation Acts, which Decker approved, render this most unlikely. Still more interesting is the proposal (*Thoughts on the pernicious consequences of borrowing money*, 1769) for substituting direct taxation on land and funded property, for the indirect taxes which hampered trade, and which, as Locke had argued, ultimately fell upon land.

² The feeling is alluded to in general terms by Davenant, *Ways and Means*, I. 76. William had the excise for life, but not the customs (*Parl. Hist.* v. 561), an arrangement which did not satisfy him, but which Bishop Burnet persuaded him to accept.

³ Dowell, *Taxation*, II. 56.

⁴ 8 and 9 W. III. c. 21.

⁵ Dowell, II. 76.

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Walpole's
fiscal
reforms
were in-
tended to
foster
industry

All these were of the nature of excises, or taxes which fell on home manufactures.

The extensive changes in the fiscal system of the country, which were carried through by Walpole, were based on a very different principle. He endeavoured to take consistent account of the effect of the tariffs upon the material prosperity of the country, and to reform all duties so as to give the greatest possible stimulus to the trading and manufacturing interests. By this means he hoped to develop the industrial and commercial resources of the country; there is a close affinity between his fiscal system and the particular form of mercantilism¹ which was current in his time. He acted in complete accord with the best commercial opinions of the day², and it has been said in his commendation "that he found the book of rates the worst and left it best in Europe³." It is worth while to quote his own statement of the principles which actuated him as it occurs in the Speech from the Throne at the opening of the session of 1721. "In this situation of affairs we should be extremely wanting to ourselves, if we neglected to improve the favourable opportunity which this general tranquillity gives us, of extending our commerce, upon which the riches and grandeur of this nation chiefly depend. It is very obvious, that nothing would more conduce to the obtaining so public a good, than to make the exportation of our own manufactures, and the importation of the commodities used in the manufacturing of them, as practicable and easy as may be; by this means, the balance of trade may be preserved in our favour, our navigation increased, and greater numbers of our poor employed.

"I must therefore recommend it to you, Gentlemen of the House of Commons, to consider how far the duties upon these branches may be taken off, and replaced, without any violation of public faith, or laying any new burthen upon my people. And I promise myself, that by a due consideration of this matter, the produce of those duties, compared with the infinite advantages that will accrue to the Kingdome by

¹ See above, p. 896, also below, 457.

² Tucker, *Civil Government*, p. 222.

³ Coxe, *Memoirs of Sir Robert Walpole*, iv. 354.

their being taken off, will be found so inconsiderable, as to leave little room for any difficulties or objections¹." He practically took off all import duties on naval stores and drugs, and the other materials of our manufactures, and arranged that all the products of our industry should be exported duty free. The creation of the Bank of England had led the moneyed men to rally round the Whigs, but Walpole's reforms cemented the attachment of the manufacturers to the same interest. ✓

Nor were the commercial men forgotten. Walpole was anxious to leave the carrying trade as free as possible, and to substitute, for duties on the importation of foreign goods, excises on their consumption at home². He hoped by this means to render the whole island "one general free port and a magazine and common storehouse for all nations³." He managed to effect this change in regard to tea, coffee, and chocolate, which were deposited in bonded warehouses and charged with duty when taken out for home consumption, and he was able to increase the revenue from these commodities £120,000 a year. When he attempted to extend the principle, however, to all imported goods as well as to articles of home production, like salt, the deep-seated prejudice against an excise was at once aroused. Walpole endeavoured to allay the excitement by a pamphlet entitled *Some general considerations concerning the alteration and improvement of the Revenues*⁴; and a committee of the House of Commons exposed the frightful amount of fraud and illicit trade which went on under the existing system⁵, and which Walpole hoped to check. How far he would have been successful in this last aim must always be doubtful, for he never had the opportunity of carrying his views into effect. The dislike of an excise as inquisitorial was intense, and coupled with this was the curious allegation that the citizens, if once accustomed to it, would feel it so little that they would cease to take an interest in checking the vagaries of the Government. Walpole explained his

¹ *Parl. Hist.* vii. 913.

² Tucker, *Elements of Commerce*, 148 n.

⁴ Coxe, *op. cit.* iii. 68.

³ Coxe, *op. cit.* iii. 66.

⁵ *Ib.* 71.

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Excise
✓

intentions in an admirable speech, in which he expressed his hope that the measure would "tend to make London a free port and by consequence the market of the world¹." But his opinion was not endorsed by the City men themselves; the Bill was carried in the House of Commons by 249 to 189, but an agitation against the measure was fomented in London, Nottingham, and other towns; and Sir Robert Walpole, sensible that "in the present inflamed temper of the people the Act could not be carried into execution without an armed force²," determined to abandon the scheme.

*so that he
might be
able to
dispense
with the
land tax,*

Had the measure been successful, Walpole expected that he would be able to redress some of the admitted inequalities in the incidence of taxation. He had succeeded in reducing the advantage, which the moneyed men enjoyed from the new finance, by lowering the rate of interest on the public funds from 8 or 6 to 4 per cent.; and as he had also reduced the land tax from 4s. to 1s.³, he had done something to mitigate the sense of injustice from which the country gentlemen suffered. He hoped to be able to go farther, and abolish the land tax altogether; there were extraordinary inequalities in the manner in which it was levied⁴, and Walpole asserted that it had "continued so long and laid so heavy that many a landed gentleman in this kingdom had thereby been utterly ruined and undone." But with the failure of his excise scheme, and the impossibility of finding any other source of revenue, it was inevitable that

¹ Coxe, *op. cit.* III. 106.

² *Id.*, *op. cit.* III. 115.

³ In 1731 and 1732. Dowell, *op. cit.* II. 96.

⁴ Davenant, who examined into the matter with great care, showed that the home counties were assessed much more heavily than those in the north and west. This had been due at first to the manner in which the Commonwealth had laid the heaviest burden upon the counties on which they could rely. An unsuccessful attempt was made to correct this at the Restoration, when the assessment for ship money had been taken as a model, on account of the known care with which it had been made. An excellent account of the method adopted in 1634 will be found in Mr E. Cannan's *History of Local Rates in England*, 50. Davenant endeavours to show, by appealing to the excise, the poll tax, the hearth rate and the poor rate, that the northern and western counties had improved more rapidly than the home counties in the intervening period, and should therefore pay a larger quota than was charged upon them in the property tax (Davenant, *Ways and Means*, in *Works*, I. 82—63). The property tax was thus doubly unfair, since it fell exclusively upon real property, and as land of equal value in different counties bore very dissimilar shares of the burden. See p. 604 n. 3 below.

the land tax¹ should be continued; and the landed interest were, partly by their own action in raising an opposition to the excise, left to nurse their grievance about the unfair share of the burden of taxation which they were called upon to bear². The subsequent wars rendered it impossible for any statesman to attempt systematic reforms, and the fiscal arrangements of the country continued to give special support to manufacturers. Capitalists of every class were relieved of any heavy burden, and special pains were taken to stimulate industry, both native and exotic.

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but the agitation they roused rendered his reforms impracticable. ✓

XIII. CURRENCY AND CREDIT.

215. The condition of the currency was an important element in all the controversy which preceded and accompanied the founding of the Bank of England. At a time when the only recognised circulating medium consisted of the precious metals, there was a general, if mistaken, anxiety that the amassing of money in a bank would tend to denude the country of the circulating medium. It was contended that the starting of such an institution would tend to inconvenience traders, to bring about a rise of prices, and to cause increased trouble in collecting the king's taxes. The deficiency of currency was a very real and serious difficulty which pressed on many persons; and it was so far aggravated, during the re-coinage of 1696, that the Bank was unable to cash its notes with the accustomed punctuality. The story of the amendment of the silver coins, in 1696, is not so well known as that of the Elizabethan re-coinage; but it throws some interesting side lights on the conditions of the times, and deserves more than a passing notice. The causes, which had reduced the currency to such a state that re-coinage was necessary, were different from those that had brought about the similar evil in Tudor times. The debased

The deficiency of standard coin,

which necessitated the re-coinage of 1696,

¹ There is a curious parallelism and a curious contrast between the views of Davenant and those of Walpole: they start as it were from opposite principles, but the goal towards which they worked was similar. Davenant advocated an excise as a substitute for borrowing, Walpole as a substitute for the land tax: Davenant would have avoided incurring a debt, Walpole attempted to pay it off.

² On the effects of this in 1815, see below, p. 729.

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was not
due to de-
basement
of the
issues.

currency, with which Elizabeth had to deal, had been deliberately issued by her father and her brother; but there had been no decided debasement of English coinage under any of the seventeenth century governments. Charles I. had been tempted to have recourse to this expedient, but his advisers on the Council convinced him that the step was unwise¹. The coins issued from the Mint continued to be of the fine standard and full weight, all through the century; and such masses were minted that it was surprising that silver coins should be so scarce, and that so many of the examples in circulation should be light, defective and debased. The constant drain² of good money caused a very serious loss to the nation³, and it was not easy to see to what it was due, or how it occurred; it certainly did not appear that any fault attached to the Government.

The results
of allowing
the un-
restricted
export of
bullion

Soon after the Restoration, the government of Charles II. adopted, on the advice of the Council, a singularly liberal monetary policy. As some critics thought unadvisedly, and as others would say prematurely⁴, they took the bold step of allowing the export of gold and silver bullion without licence⁵, and of undertaking the free coinage of bullion⁶ brought to the Mint. To break so entirely with the bullionist tradition was a bold stroke, and the report of the Council of Trade, which recommended it, marks an era

¹ See the speech attributed to Sir Robert Cotton; Shaw, *Select Tracts, Documents illustrative of English Monetary History*, p. 27.

² See S. P. D. James I. 78, 18 May 1611, *A Proclamation against melting or conveying out of the King's Dominions of gold or silver current in the same*. Also Charles I. 25 May 1627. Brit. Mus. 21. h. 1 (88).

³ Haynes (*Brief Memoirs relating to the Silver and Gold Coins of England with an Account of the Corruption of the Hammer'd Monys and of the Reform by the Late Grand Coyneage at the Tower and the five Country Mints*, 1700. Brit. Mus. Lans. MS. DCCCL.) puts it at between two and three hundred thousand annually, from 1689, p. 74. He thinks that the worst clipping occurred in 1695 when the recoinage was imminent, p. 100. He estimates the total loss on running silver cash as £2,250,000, p. 75.

⁴ Shaw, *The History of Currency*, 168.

⁵ 15 Charles II. c. 7, § 9. The preamble of the section is worth quoting: "And forasmuch as severall considerable and advantageous trades cannot be conveniently driven and carried on without the Species of Money or Bullion, and that it is found by experience, that they are carried in greatest abundance (as to a Common Market) to such places as give free liberty for exporting the same, and the better to keepe in, and encrease the current Coyens of this Kingdom, be it enacted," etc.

⁶ 18 Charles II. c. 5.

in monetary history¹. The policy of allowing the export of bullion has on the whole been maintained, although it was frequently set aside by proclamation² under Charles II.; and the practice of coining money, without making a charge for seigniorage, has been regularly followed, in spite of occasional protests³. As a result, the English currency became liable to be depleted, through the very slightest fluctuations in the value of the precious metals. The changing ratio of gold and silver was doubtless a constant cause of trouble; and frequent difficulty arose from the fact that silver was rated so low in England⁴ that it was occasionally remunerative to melt down the silver coins, issued from the Mint, in order to sell them as bullion. Besides this, till the mill and press were introduced⁵ in 1663, the currency consisted entirely of hammered money, and the pieces varied considerably from one another, in size and weight. As payments were made by tale, there was a frequent temptation to hoard the new pieces which issued from the Mint, or to melt them down for sale to silversmiths and for purposes of export⁶. The coins left in circulation became more worn and defective as time passed, so that the difference, between the nominal value of the coins as money and their real value as silver, became

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and the
practice of
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money

¹ It has been reprinted by J. R. Macculloch, in *Select Collection of Rare Tracts on Money*, p. 145.

² Shaw, *History of Currency*, 163.

³ E.g. by Dudley North. *Discourse of Trade*, quoted by Shaw, *History of Currency*, 221; also Ruding, *Annals of the Coinage of Great Britain*, II. 12.

⁴ See above, p. 137. This difficulty appears to have been felt, though in a less degree, in the reign of James I. (Proclamations 18 May, 1611, S. P. D. J. I. LXIII. 88, and 23 March, 1614, S. P. D., J. I. CLXXXVII. 37. Some confusion was caused at that time by the rate at which Scotch gold coins were rendered current in England (Ruding, I. 362, and Proclamation 8 April, 1603, Brit. Mus. 506. h. 10 (5)). Owing to the scarcity of silver, an attempt was made to put farthing tokens, duly issued from the Mint, into circulation. Proclamation 19 May, 1613, Brit. Mus. 506. h. 12 (75).

⁵ H. Haynes, *op. cit.* p. 40.

⁶ Haynes describes the conditions in some detail. "But tho' all the pieces together might come near the pound weight or be within remedy; yet diverse of 'em compar'd one with the other were very disproportionable; as was too well known to many persons, who pick'd out the heavy pieces, and threw 'em into the Melting pott, to fitt 'em for exportation, or to supply the Silver Smiths. And 'twas a thing at last so notorious, that it 'scap'd the observation of a very few; for 'twas pretty commonly known that the following pieces of hammer'd mony

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more noticeable¹. The attempt to keep heavy and light pieces in circulation together proved a failure, and only resulted in the constant melting down of new coins as issued from the Mint.

afforded
profitable
opportunities
for
clipping
and sweating
the
coin

In the meantime the old hammered money was being seriously maltreated by dealers in coin. Some of the pieces were thicker than others, and they were filed down to the usual size; others were stamped with the impression at one side, and the margin left bare was trimmed off; at first the men who tampered with the coinage were "pretty modest" in clipping. Defective coins were only occasionally met with in 1672, but after 1685² the practice became a very serious evil indeed. Not only did clipping become a regular business, but the old and worn coin lent itself to fraudulent imitation, and a considerable amount of base money was put into circulation by coiners³. Altogether, the condition of

tho' never clip'd, did many of 'em in their weight and value want or exceed the legal Standard in the under written disproportion, viz.

Some of			s. d. d. d.					s. d. d. d.				
			4.	9.	10.	11		5.	1.	2.	3	
Some of	the crown pieces	were in value by their under-weight	4.	9.	10.	11	and other pieces of the same species were in value by their over-weight	5.	1.	2.	3	crowns
	the $\frac{1}{2}$ crown pieces		2.	4.	5.	0		2.	7.	8.	0	$\frac{1}{2}$ crowns
	the shillings		0.	10 $\frac{1}{2}$.	11.	0		1.	1.	2.	0	shillings
	the sixpences		0.	5.	5 $\frac{1}{2}$.	...		0.	0.	0.	0	sixpences were not of an exact assize

Now when pieces so very ill six'd as these came out of the Mint, and the lighter pass'd under the same Name, and at the same value with the heaviest, this presented the Clippers with too fair an opportunity of rounding the weighty pieces with the Sheers and the file, till they reduc'd 'em to an equal weight, and size with the rest; for they were pretty modest in the practice of clipping, 'till after the year 1685." *Op. cit.* 68.

¹ The fundamental principle in Locke's argument on the subject of coinage was the identity in exchange value between one ounce of silver and another, *Further Considerations concerning raising the Value of Money* (1695), p. 2. But Barbon showed conclusively that within certain limits, silver, which has the stamp of money, may circulate for more than its value as bullion, *Discourse concerning Coining the New Money Lighter*, p. 28. This was indeed a matter of common experience at the time, *Review of the Universal Remedy for all Diseases incident to the Coin* (1696), p. 12 (Brit. Mus. 1139. d. 6 (2)). The writer points out that "every Degree of Currancy given to defective Coin, is a new Lock put upon the Good," p. 39.

² Haynes, *op. cit.* 64, 67.

³ Haynes, *op. cit.* 66, 69. They fabricated base money which looked like old coin that had been clipped; *ib.* 77.

the currency was most deplorable. Very little silver was to be had, and what was forthcoming was defective and debased. As Lowndes says, "Great contentions do daily arise amongst the King's Subjects, in Fairs, Markets, Shops, and other Places throughout the Kingdom, about the Passing or Refusing of the Same, to the disturbance of the Public Peace; many Bargains, Doings and Dealings are totally prevented and laid aside, which lessens Trade in general; Persons before they conclude in any Bargains, are necessitated first to settle the Price or Value of the very Money they are to Receive for their Goods; and if it be in Guineas at a High Rate, or in Clipt or Bad Moneys, they set the Price of their Goods accordingly, which I think has been One great cause of Raising the Price not only of Merchandizes, but even of Edibles, and other Necessaries for the sustenance of the Common People, to their Great Grievance. The Receipt and Collection of the Publick Taxes, Revenues and Debts (as well as of Private Mens Incomes) are extreemly retarded¹." The larger silver pieces had suffered most and the smaller coins were comparatively uninjured; but the malpractices had been carried so far that the prices of commodities in silver appear to have risen considerably. This metal was still the recognised standard of currency, and the fall in the value of silver coins became apparent, both in the high rates which had to be paid for guineas², and in the unfavourable state of the exchanges³.

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so as to
cause great
incon-
venience

and to
bring about
a rise of
prices as
calculated
in silver.

It became obvious that no satisfactory remedy could be carried out, unless the evil was dealt with in a thorough-going fashion, and the old coinage was called in. An ingenious scheme for amending the silver coinage, with the least possible disturbance to prices, was put forward by Mr Lowndes, the Secretary of the Treasury. He proposed that the new money should be issued at higher denominations; a silver coin of the weight and fineness of the old crown should be made current, not as 60, but as 75 pence, and the half-crown should represent, not 30, but 37½ pence.

Lowndes'
scheme for
amending
the coin
with the
least dis-
turbance
to prices

¹ *Essay for Amendment* (1695), in Macculloch, *Tracts*, p. 283.

² The silver price of guineas was from 24/- to 30/. Haynes, *op. cit.* 120.

³ The discount on English drafts in Amsterdam varied between 13·7 per cent. and 28·5 per cent. Thorold Rogers, *First Nine Years of the Bank of England*, 40.

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was in-
genious
but incon-
venient

A proposal for raising the money had been approved by a committee of the House of Commons¹, and would in all probability have been carried into effect, but for the intervention of Locke, who denounced it in vigorous terms. He succeeded in impressing Montague, the future Lord Halifax, who was framing the scheme for re-coinage²; and as a result, the new coins were issued at the old denominations. The hopes of the bankers and moneyed men, who had hoarded new silver in the hope that the value would be raised, were balked³; and the landed men, who had let their lands on terms calculated in defective coins and subsequently received payments in the amended coin, would be gainers by the fact that the old denomination was retained⁴. It is at

and the old
denomina-
tions were
retained

all events obvious that it was much more convenient to keep to the old denominations; the difficulty of counting up any large payment in coins worth 3s. 1½d. each would have been considerable⁵.

in the
re-coinage

The difficulties which arose from the scarcity of money were distinctly aggravated during the process of re-coinage⁶, when a large number of pieces were necessarily withdrawn from circulation. Five country mints were established⁷ to facilitate the process of recoinage. Sir Isaac Newton was at

¹ One of the resolutions reported by the committee on 12 March 1695 was in favour of raising the new silver crowns 18% so as to pass for 5/6. Ruding, II. 36.

² Thorold Rogers, *First Nine Years*, 44.

³ The crucial decision was taken on 20th October 1696, when the House decided not to alter the denomination of the coins (*C. J.* XI. 567). After this, according to Haynes, the new money which had been hoarded began to come into circulation much more rapidly, p. 149.

⁴ It is said that Montague only succeeded in carrying through his scheme because the landed men were convinced that it was to their interest to retain the old denominations, and after he had purchased a considerable amount of support from other members of the House of Commons. The arguments *pro* and *con* are clearly stated by Kennett, *Complete History*, III. 705. Among the most effective writers on Lowndes' side was Sir R. Temple, who argued that to "keep up an old Standard under an old Denomination below the value of Bullion is the greatest Folly imaginable," *Some Short Remarks upon Mr Locke's Book* (1696), p. 8. In a rejoinder E. H. argues that raising the value of the coin would certainly bring about a rise in the price of commodities, *Decus et Tutamen* (1696), 23. Ruding comments severely on the wrongheadedness of the Chancellor in being guided by Locke's view, *Annals*, II. 58.

⁵ Lowndes, *Essay on Amendment*, p. 214; Macculloch, *A Select Collection of Tracts on Money*, and criticism by Haynes, 203—235.

⁶ Sir John Dalrymple, *Memoirs*, 1790, Part III. book IV. p. 86.

⁷ At Exeter, Bristol, Chester, York, and Norwich.

pains to get the maximum product out of each of the presses in London¹; but the manner in which the work dragged on gave some opportunity for political intrigue², and offered a considerable field for speculative dealings in coin³. The first steps were taken in the Proclamation of 19 Dec. 1695⁴, by which clipped crowns were to cease to be current after 1 Jan. 1696; provision was made for the continued use of unclipped hammered money, which was punched and retained in circulation temporarily⁵; and the whole operation was concluded by 1 March, 1698, when all hammered money was

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which was
carried
through by
Sir Isaac
Newton,

¹ Haynes, *op. cit.* p. 188. Newton's technical skill was also effective in exposing the mistakes in Challoner's proposed method of coining, *ib.* p. 174. Haynes bears interesting testimony to his general influence on the work which was carried on under his supervision. "For 25 March, 1696, Mr Isaac Newton, publick Professor of the Mathematicks in Cambridge, the greatest Philosopher, and one of the best Men of this age, was by a great and wise Statesman recommended to the favour of the late King for Warden of the King's Mints and Exchanges, for which Station he was peculiarly qualified, because of his extraordinary skill in numbers and his great integrity; by the first of which he could judge perfectly well of the Mint Accounts and transactions, as soon as he enter'd upon his office; and by the later, I mean his Integrity, he sett a standard to the conduct and behaviour of every Officer and Clerk in the Mint. Well had it been for the Publick, had he acted a few years sooner in that Station; it's more than probable a good part of the silver monys had been preserved by his vigilant and indefatigable prosecution, from the havock that was made upon 'em by clipping and counterfeiting. And the Assize of our gold monys had been brought to that exactness, as to have prevented a very ill, but a very ordinary practice of picking out and remelting the weighty pieces. This was a very beneficial trade to some persons, but fatal to the Standard and increase of the publick Treasure. Since the Assize of the Coin has been more immediately a part of this Gentleman's care, wee have seen it brought to that extraordinary nicety, especially in the gold monys, as was never known in any reign before this, and perhaps cannot be parallel'd in any other Nation. So that in time we may defy the cunning and Artifice of all mankind to make any advantage by the inequality of the pieces coyn'd at the Tower. Of so great consequence to the State is the well executing the office of Warden of the Mint, and of so good consequence has the execution of it been under this admirable Gentleman that in time he will be no less valued at Home on this account than he is admired by all the *Philosophie World* abroad for his wonderful advancement of the *Mathematicall Sciences*; by the last he has benefitted Mankind, and by the first he has done justice to the English Nation, of which he is one of the chiefest Glories." pp. 131, 132.

² Dalrymple, *op. cit.* Part III. book IV. p. 85.

³ Evelyn, *Diary*, 1850 (June 11, 1696), II. 343. Kennett, *Complete History, William III.* Vol. III. p. 725.

⁴ [Brit. Mus. 21. h. 8 (175)]. Permission was given to pay them to the receivers of taxes till a later date, and another Proclamation was issued 4 Jan. 1696 (Brit. Mus. 21. h. 8 (178)), insisting that the Collectors should accept this money.

⁵ W. III. c. 1 (9). F. Philipps suggested an ingenious scheme for a temporary token currency of inferior metals. *Archæologia*, XIII. 188.

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demonetised¹. The cost, in the difference between the value of the defective coin that was accepted, and the new money that was issued, amounted to £2,400,000, and this was defrayed by a house and window tax; but the administration at once felt the benefit from the improved rates at which they could remit money for the expenses of the war.

The recoinage of 1696 had done away with the evils which arose from the existence of a corrupt silver currency; but, in so far as the disappearance of silver had been due to the high rate which it bore relatively to gold, the recoinage had made no difference. Parliament had indeed called down the price of guineas from 30s. to 26s.² It was further reduced to 22s.³, but even at this rate merchants found it worth while to import gold, in order to buy English silver for export. Locke had maintained that the low rating of gold—which kept it from becoming the standard for ordinary payments—was in itself advantageous⁴, but common opinion regarded the effects of the arrangement as mischievous. It had been part of Lowndes' scheme for raising the value of silver coins, to bring the nominal ratio of gold and silver pieces into closer accord with the market rate of gold and silver bullion⁵. It was left for Sir Isaac Newton to deal with this problem more thoroughly⁶; as a consequence, the guinea was called down to 21s. in 1717; but events showed that he had not been altogether successful in his calculations⁷, for English silver continued to be exported. Important steps were taken towards the solution of the difficulty in 1774, when there was a general recoinage of gold⁸, and silver coins ceased to be legal tender by tale for sums over £25⁹. The demonetisation of silver, which was thus begun, was conclusively justified on grounds of principle by Lord Liverpool in his *Treatise on the Coins of the Realm*, and was carried out more thoroughly

who also
attempted
to settle
the diffi-
culty about
the rating
of gold.

¹ 9 W. III. c. 2, § 2.

² 7 and 8 W. III. c. 10, § 18.

³ 7 and 8 W. III. c. 19, § 12.

⁴ *Further Considerations concerning raising the Value of Money* (1695), 21, 28.

⁵ William Lowndes, *A further Essay for the Amendment of the Gold and Silver Coins* (1695), p. 11.

⁶ Sir Isaac Newton, *Mint Reports*, in Shaw, *Writers on English Monetary History*, p. 154.

⁷ Shaw, *History of Currency*, 281.

⁸ Lord Liverpool, *Treatise*, 194.

⁹ 14 Geo. III. c. 42, § 2.

in 1816¹, when silver sank to the position of a token money, A.D. 1689 and gold became the sole standard for legal tender. —1776.

216. When action had once been taken for the restoration of the metallic currency, much benefit accrued to the community from the success of the Bank of England in popularising the use of paper as a representative of coined money. This form of circulating medium had been introduced in Sweden in 1658, and Killigrew had advocated its introduction into England in the time of Charles II. There was some doubt at first, both as to the form of wealth which might serve as a guarantee for their payment, and as to the possibility of inducing the public to accept them, though there was a general feeling that if they were rendered available for the payment of taxes², ordinary citizens would accept them in discharge of public debts. Both problems were solved in an excellent fashion by the Bank of England; the interest due from Government to this corporation gave it an ample fund to guarantee the convertibility of its notes; and the public were glad to accept this new form of money from a great Company, which offered them loans in its own notes on very favourable terms.

The necessary conditions for the introduction of a convertible paper currency were provided by

The Bank of England consisted of a body of subscribers who lent £1,200,000 to Government in 1694, on the understanding that, out of the payments of tonnage³, they should receive 8%, or in all £100,000 per annum. They were also permitted to engage in the business of banking in their corporate capacity; that is to say, they were to receive money on deposit and to lend it out at interest. This sort of business had been carried on to a considerable extent by goldsmiths, but the Bank developed it enormously because they were able to offer better terms. The goldsmiths were accustomed to lend coins, or bills which represented bullion actually in their possession. The Bank was able to make loans to an amount which exceeded the total of the deposits it received; for it could issue notes, to meet which it had no

the Bank of England,

which advanced money on more favourable terms than the goldsmiths.

¹ 56 Geo. III. c. 68.

² Killigrew, *A Proposal showing how this Nation may be vast gainers by all the sums of money given to the Crown*, p. 8. [Camb. Univ. Lib. n. 24, 8 (1).]

³ A tax levied on ships according to their tonnage, not on tuns of wine, as in the phrase tunnage and poundage.

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cash in reserve, on the faith of the interest due to it from the Government. Foreign bills were discounted at 6%, and home bills at $4\frac{1}{2}$ %, customers' bills were discounted at $3\frac{1}{2}$ %, and the Bank announced its readiness to make advances on plate, or any of the useful metals at 4%.

*The credit
of its notes
was at-
tained
during the
re-coin-
ages,*

From its formation and until 1844, the banking business of making advances to traders, and the issue of notes by the Bank, were inextricably connected. The success of the new institution, as a bank which offered to advance money at low rates, helped to render its notes generally acceptable. The critical moment in regard to the new currency occurred during the re-coinage in 1696; on the 4th of May, when most of the current cash of the country was withdrawn, and few new coins had been issued from the Mint, an organised attack was made upon the Bank by goldsmiths, who had collected large numbers of its notes and presented them for immediate payment. The Bank was unable to meet its engagements¹, though it continued for a time to satisfy the demands which came upon it in the ordinary course of trade. By making a call upon its proprietors, and by the indulgence of certain creditors, the directors were able to tide over the evil day. Coinage was so scarce for many months that traders were forced to fall back upon substitutes for money², and became gradually more habituated to the use of paper currency; but during the re-coinage there was so much hesitancy about it, that the difficulty of the time was increased. Haynes, as a Mint official, spoke with some contempt of all forms of money, other than the precious metals³, and there were doubtless many others who shared

*but despite
some
hesitancy
on the part
of the
public*

¹ For excellent suggestions as to the course which should have been pursued by the Directors at this time, Aug. 31, 1696, see *Review of the Universal Remedy of all the Diseases incident to Coin*, p. 56.

² Kennett, *Complete History*, III. p. 725.

³ "The great Arrears of the Government like an Inundation and all sorts of Paper credit in Orders, Bills, Notes, Bonds, Assignments etc., overflowed the Kingdom. All our wealth seem'd to consist in a little Gold and adulterated Silver, a world of wooden Scores and paper Sums. Never was there known before such vast debts owing for Excise and Customs, upon Bills and Bonds unsatisfied. All sorts of Provisions grew to an extravagant Price, which was an additional hardship to day labourers and Artificers, besides their want of Money and Credit. Upon the whole, we had all the symptoms upon us of a Bankrupt sinking State and an undone people." Haynes, *op. cit.* 94.

his views¹. For a time the various forms of credit were scarcely negotiable². The notes of the Bank of England were subject to 20 % discount, and Government tallies³ sank 40 %, 50 %, or even 60 %, according to the nature of the funds assigned in security, since some of them did not yield the expected amounts, while some of the tallies had no specific security assigned them. Montague took active steps for the restoration of public credit on the assembling of Parliament in October, 1696. The Commons resolved to grant a supply, which should make up these deficiencies and give ample security for the punctual payment of tallies⁴; the Act of 1697⁵, not only enlarged the capital, and improved the status of the Bank of England, but restored the credit of the administration as well. Tallies, bank-notes and Bank-bills all began to circulate freely⁶. Encouraged by his success, Montague proceeded to issue a large amount of paper currency in the form of Exchequer Bills, bearing interest⁷; without some such money, it would have been physically impossible to collect the taxes required for the support of the war; but by these various expedients "Parliament laid a good Foundation for *Paper Money* to supply the Place of our Silver Coin; for so many Payments were at this time to be made into the *Exchequer*, that when the People had assurance given them that the *Exchequer* notes should be received back again in the payment of the King's Taxes, they were very well satisfied to take them, at first indeed at small Discount but not long after at an Equality. A great number of these Notes were only for Five or Ten Pounds

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—1778.

various
forms of
paper
credit came
into general
use,

and the
issue of
Exchequer
Bills

¹ "The ill State of the Coin by Diminution on one Hand, and Adulteration on the other, and the Plan which had been laid for the circulating a sort of fictitious Wealth, such as Exchequer-Tallies, Bank Bills and Government Securities, instead of Gold and Silver, were two other Points which took up the Attention and excited the Concern of every thinking Man." Ralph, *History of England*, II. 564.

² The great difficulty of procuring coin, for any purpose, made it improbable that either the Government or the Bank would be able to discharge their obligations in cash.

³ Tallies were the documents issued when Government borrowed in anticipation of taxes. 9 W. III. c. 44, § 50.

⁴ This suggestion is put forward by Robert Murray, *A Proposal for the more easy advancing to the Crown of any fixed sum of Money*, p. 1 (1696).

⁵ 8 and 9 W. III. c. 20.

⁶ Kennett, *op. cit.* III. 726.

⁷ See above, p. 420, n. 7.

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—1776.

helped to
popularise
paper
currency.

The Bank
also facilitated the
formation
and employment
of Capital,

which answer'd the necessity of Commerce among the Meaner People, for the Common Conveniences of Life * * *. These Bills passed as so many counters, which the People were satisfied to receive * * * and these State Counters so well supplied the want of Money, till New Coin was issued from the Mint, that Trade and Commerce were maintained, and Mutual Payments well enough made, to answer the Necessities of the Government and the People¹." In this way the community at large became habituated to the use of a convertible paper currency. Mercantile bills had long been in vogue², and were commonly used by the merchants who frequented Blackwell Hall, or had dealings with goldsmiths. These forms of credit suffered³ like the rest, during the period when metallic currency was so scarce⁴, and there was difficulty in meeting them punctually, but the general effect of the episode was to render paper currency of every sort more familiar than it had ever been before, and so to develop a new and more economical circulating medium.

217. Important as were these incidental services in floating a public loan and in providing currency, it was as an organ for the formation and diffusion of capital that the Bank gave the greatest impulse to the trading life of England. One projector after another had pointed out the advantages which accrued to Holland from the existence of banks, and insisted that Englishmen might attain similar success if they would employ similar means⁵. One of the earliest of these writers is Samuel Lambe, a London merchant who addressed *Seasonable Observations humbly offered to his Highness the Lord Protector*. In it he advocated the establishment of a bank, not as a means of assisting the Government⁶, nor as a body

¹ Kennett, *op. cit.* III. 726.

² Certain London merchants proposed in 1696 to develop the system by insisting that buyers of goods of £10 and upward should pay in assignable bills. *Commons Journals*, XI. 620.

³ *Review of the Universal Remedy for all Diseases incident to our Coin* (1696), p. 31.

⁴ Complaints of the heavy discount on bills were frequent; *Commons Journals*, XI. Newbury, p. 631; Bury, p. 635 (a); Tamworth, p. 640; Chippenham, p. 624.

⁵ See above, 419, n. 2. Compare the Report of the Committee on Decay of Trade in 1669 in the *Hist. Manus. Commission*, VIII. 138.

⁶ In 1660 Francis Cradocke proposed the erection of a Land bank. He was aware of the necessity of having a fund of cash, as well as credit, in order to

for enlarging the currency by the issue of notes¹, but as a means of assisting traders generally, and thereby rendering

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make the institution a success, and he suggests expedients by which this may be procured, *An Expedient for taking away all Impositions*, p. 4. He urged that the Crown would be wise to anticipate revenue on easier terms and also would be able to carry on a remunerative banking business, p. 6. His scheme is more fully expounded in his *Wealth Discovered* (1661), and was commended by Charles II. to the consideration of the Council of Trade. Compare also R. Murray's *Proposal for the advancement of trade* (1676) by the establishment of magazines where merchants might deposit surplus stock as security for advances made to them.

¹ Lambe recognised that the merchants who kept their accounts at the Bank could make payments to one another by the transfer of their credit with the Bank; this was one important feature in the practice of the Bank of Amsterdam (Adam Smith, *Wealth of Nations*, Bk. iv. iii. p. 194). "A bank is a certain number of sufficient men of estates and credit joined together in a joint stock, being, as it were, the general cash keepers or treasurers of that place where they are settled, letting out imaginary money at interest at 2 and $\frac{1}{2}$ or 3 l. per cent. to tradesmen, or others that agree with them for the same, and making payment thereof by assignation, and passing each man's account from one to another with much facility and ease, and saving much trouble in receiving and paying of money, besides many suits in law and other losses and inconveniences, which do much hinder trade; for oftentimes a merchant hath goods come from some place beyond the sea, which he is not willing to sell at the price current, knowing either that he shall lose by them, or that he hopes they will yield more in England, or some other country where there will be more need of them; therefore is desirous to keep them, and yet drive on his trade, which peradventure he cannot well do wanting stock, so much of it lying dead in the said commodity, therefore procures credit in the bank for so much as he shall have occasion for, at the rates aforesaid, and receives and makes payment thereof where he hath occasion for it, by assignment in bank. As, for example: The said merchant buys cloth of a clothier for 100 l. value, more or less, and goes with him to the bank, where he is debtor so much money as he takes up, and the clothier is made creditor in account for so much as he sold for to the said merchant, then such clothier having occasion to pay money to a stapler or woolmonger, for wool he doth buy of him; so the said clothier is made debtor, and the woolmonger creditor in account; The said woolmonger hath bought his wool of a country farmer, and must pay him for it; so the woolmonger is made debtor, and the farmer creditor: The farmer must pay his rent to the landlord with the proceed of the said wool; so the farmer is made debtor, and such landlord creditor: The landlord for his occasion buys goods of a mercer, grocer, vintner, or the like; then he is made debtor, and such mercer or other tradesman, creditor; then peradventure such mercer, or other tradesman, buys goods of the same merchant that took up the first credit in the bank, and stands yet debtor there; but upon sale of goods to the mercer, or other tradesman, both clear their account in the bank, and such mercer, or other tradesman, is made debtor, and the said merchant creditor: Thus every man's account is cleared, and so in all trades, as occasion presents; which way, if it be thought fit to be settled for a trial at London, I verily believe will be found so convenient, and such an encouragement to trade, by increase of the stock of the land, and be such an ease to the people, that it will be soon desired that others might be also settled at Edinburgh for Scotland, at Dublin for Ireland, and in some other chief cities and shire towns in England, as York, Bristol, and Exeter, &c., for the

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and proved,
as had
been antici-
pated, to
be of great
advantage

them better able to compete with the Dutch in foreign trades and to hold their own in English undertakings as well¹. The Bank would "furnish factors in England with credit to pay custom and charges of a great cargo of goods, which may on a sudden be consigned to them; for many times such English factors may be of a good estate and credit, yet have not always a great cash lying by them for such uses (though the Dutch are seldom without it) therefore may often times be forced to strain their credit, to take up money at interest or sell all, or part with such goods at under-rate for want thereof, which may be a great prejudice to themselves, and loss to their principals; and is believed, causeth many such great commissions to be carried from the English and consigners to the Dutch residing in England, to their great benefit and advantage, and loss and prejudice of the English Nation * * * *. They will furnish many young men with Stock, that have, by their industry and well spent time and travels in their apprenticeships gained good experience in foreign traffic, but when they are come to be for themselves, wanting stock, friends or credit to begin to trade with (being commonly younger brothers)², are thereby much discouraged, and thinking to drive away such discontent, do often-times fall into bad company and take ill courses, to the utter ruine of their hopes and fortunes, which otherwise might have made good Commonwealths-Men, which is the greatest reason why so few young men, out of so many entertained, do come to good.

"They will preserve many good men from failing and losing their credit; for instead of losing by trade they will

furtherance of trade, by holding correspondence with each other, that which I do not apprehend or know any way better to equal the Dutch in trade, both at home and abroad, in buying and selling all sorts of commodities, and making quick returns, and also so much exceed them, as by far this land lies more convenient for trade than theirs doth, and will also suddenly enrich the people, and increase and maintain the maritime power and strength thereof." S. Lambe, *Seasonable Observations*, in *Somers Tracts*, vi. 457.

¹ Lambe, *Somers Tracts*, vi. p. 456.

² Dutch tradesmen were in the habit of dividing their money equally among their children so as to give all a start in life; while an English tradesman was likely to give "mean portions" to his younger sons and make the eldest "possessor of the greatest part of his estate, who addicteth himself often-times to the pleasures of Hunting, Hawking and such like pastimes, betaking himself wholly to a Country Life," *Id.* p. 453.

by the well regulating of it be more certain of profit, and the quick and sure satisfaction of a debt by assignment in Bank will preserve many a good man's credit, which many times is impaired, though he may have a good estate out in Trade beyond the Seas and cannot command it, or because he cannot receive his money where it is owing to him, to make payment where it is due. It being seldom seen that any of the Dutch Nation fail: and if any of them by losses do miscarry, being known to be industrious, are soon credited again with stock out of bank, or otherwise, to recover themselves again by trade.

"And many other (conveniences) which trial and experience will daily discover, as quick and easy, paying bills of exchanges, foreign or domestic, and all other payments, preventing fraudulent payments, in counterfeit and clipt coin or mistelling money, rectifying errors in accompts, which occasion Law suits, preventing theft and breaking open houses, where money is suspected to lie, and robbing on the high ways graziers, carriers or others that use to carry money from fairs, or other places, which may be returned by assignment in bank, whereas now the several hundreds in many places are forced to guard such as carry money for fear of their being robbed, and such hundred paying them the money they lost as it hath often fallen out of late times."

This enumeration of the felt disadvantages from the non-existence of banks throws very clear light on the advantages which accrued to the trading public by the institution of the Bank of England. As a bank of deposit, it greatly developed the business already undertaken by goldsmiths, and gave many people the opportunity of leaving their hoards in the safe keeping of an institution, which could use money remuneratively by lending it to traders. In this way the Bank did a great deal to add to the available capital of the country. Davenant and the other critics of the Bank had maintained, with considerable plausibility, that the Bank would divert capital from productive employments¹ to be lent to the State; but as a

to many trades;

it did not divert money from productive employments,

¹ *Essay upon Ways and Means, in Works, i. 24.*

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*but gave
opportunities for
trading on
borrowed
capital.*

matter of fact this fear proved illusory. The security and facilities for investment, offered by the Funds, tended to the more rapid formation of capital, and conferred lasting benefits on the trading community. From this time onwards it became a usual thing for careful men to trade upon borrowed capital, since they found they could habitually obtain the loan of it on easy terms.¹ During the latter part of the seventeenth century England was hampered in every way, both as to internal development, and commerce, and colonisation, by lack of capital; and the banking system which was inaugurated in 1696 had an enormous influence in remedying these evils. ¹¹

*The nature
and con-
ditions of
credit were
imperfectly
recognised.*

218. It was probably inevitable that, until a considerable body of experience had been accumulated, there should be many and serious blunders as to the nature of credit, and the conditions under which the forms of credit are available to serve as money. The men of the eighteenth century found that they had a new and very powerful economic instrument in their hands, and they only gradually discovered how to use it wisely. Strictly speaking credit is not wealth¹, though a man who has credit is able to procure the use of other people's wealth. The forms of credit supply a method of anticipating expected wealth, and of obtaining immediate control over certain sums of money, because of expectations in regard to the future. Whenever the expectations are mistaken, and the actual wealth obtained falls short of the anticipated wealth, there is a danger of serious loss. By the judicious restriction of his advances, the banker may check over-sanguine speculation as to possible gain in the future. His readiness to grant loans on easy terms is of course an encouragement to speculation; it increases the quantity of paper money available, and tends to raise the rates of prices, and to render business more remunerative. On the other hand, the action of bankers in suddenly withdrawing accustomed facilities may create a feeling of alarm and distrust, which will make men unwilling to accept paper money at all, and cause a sudden fall in values of every kind.

¹ On the difficulties of various trading companies who sunk their wealth in concessions and had no circulating capital see below, p. 466.

Until considerable experience had been gained, there was ^{A.D. 1689} special danger that the Bank, which exercised a unique influence over English credit, should on the one hand aggravate the evils of a period of inflation, or on the other should induce commercial disaster by the hasty reduction of its issues. ^{—1776.} ✓

The difficulties of the directors were aggravated by the fact that a change was coming over the habits of ordinary traders; legitimate business was becoming more speculative ^{business assumed a speculative character,} in character. In the days when regulated companies had kept an effective control over the conditions of commerce, and enforced a system of well-ordered trade, there was little room for enterprise in pushing business. After the Revolution, the companies had so far sunk in importance that it was possible for merchants to ship goods in any quantities they preferred, and to speculate on changes in the market rate for goods. The increased possibility of borrowing capital, when opportunity for using it offered, must have enabled shrewd and well-informed men to rise rapidly to considerable affluence. The system of joint-stock trading rendered it easy for the outside public to have a part in commercial gains, without the necessity of devoting themselves to the cares of business. So many companies were formed, that transactions in their shares became increasingly frequent, and this fresh field of business opened up a new range for speculative dealing. Davenant, Hutcheson, Defoe, and all the leading economic writers of the day, complain of the rapid development of stock-exchange gambling which occurred at this time. The new trades, which were being opened up, and the new industrial facilities, which the credit system seemed to offer, appeared to have turned the heads of many of the men of that day. Large sums had been made, especially by bankers, and it seemed as if there were no end to the fortunes which might be acquired. There was, in consequence, great violence in the changes of prices. If a business was doing well, the gains were exaggerated, and many men were eager to rush into it, so that the price which had to be paid for shares was forced up unduly; on the other hand, if a stock fell, there seems to have been a regular rush to get rid of it, and the price fell with rapidity. ^{especially in connection with the Stock exchange,} ✓

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and bubble
companies
were
formed

These violent fluctuations must have given great opportunities to stockbrokers; and one of the reasons why the new finance was condemned was because of the stimulus it gave to this gambling spirit; it seemed to divert men from honest enterprise, and encouraged the wildest speculation¹. In some cases, indeed, Government played for this gambling spirit; the great financial expedient, in the year before the Bank of England was floated, was a lottery; a sum of money was raised, on all of which interest was to be paid in the usual way, but every fortieth share was to be entitled in addition to an annuity of a larger or smaller amount lasting for life². This speculative element proved a great attraction, and it may have been the cheapest way of floating the loan, extravagant as the terms appear; but it was severely condemned at the time, because of the countenance which Government gave to the gambling spirit. This spirit showed itself in its most startling fashion, in 1720, when an extraordinary number of wild projects were floated³; and the shares of other undertakings were quoted at fancy prices. The public were not accurately informed as to the possible profits in various lines of trade. They formed the wildest estimates of the gain that might accrue from certain political concessions or from new industrial inventions. Of these schemes the most celebrated was the

¹ Compare Sir John Barnard's speech during the debate on the Bill to prevent the "infamous practice" of Stock-jobbing. *Parl. Hist.* ix. 54.

² 5 W. and M. c. 7, § 89.

³ There had been many such schemes before. Defoe, writing in 1697, complains of them bitterly. "There are and that too many, fair pretences of fine Discoveries, new Inventions, Engines and I know not what, which being advanc'd in Notion, and talk'd up to great things to be perform'd when such and such sums of Money shall be advanc'd, and such and such Engines are made, have rais'd the Fancies of Credulous People to such height, that meerly on the shadow of Expectation, they have form'd Companies, chose Committees, appointed Officers, Shares and Books, rais'd great Stocks, and cri'd up an empty Notion to that degree that People have been betray'd to part with their Money for Shares in a *New-Nothing* and when the Inventors have carri'd on the test till they have sold all their own Interest they leave the Cloud to vanish of itself, and the poor Purchasers to Quarrel with one another, and go to Law about Settlements, Transferrings, and some Bone or other thrown among 'em by the Subtlety of the Author to lay the blame of the Miscarriage upon themselves....If I should name Linnen-Manufactures, Saltpeter-Works, Copper Mines, Diving Engines, Dipping and the like for instances of this I should I believe do no wrong to Truth." *Essay on Projects*, pp. 11—18.

South Sea Bubble, which was formed to carry on trade with Spanish America in the hope that large profits would be reaped from the slave-trade and from whale-fishing. There appeared to be an inexhaustible mine of wealth, and the shares rose rapidly from April 1720, when they stood at £120, till July, when they are said to have reached £1020¹. But, while on the one hand the possible profit had been overrated, the capital of the Company had been sunk in procuring concessions and in lending money to Government, so that there was no sufficient means of carrying on trade. When such mistakes were made in commerce there is no wonder that men entirely miscalculated the possible profits from new inventions. The list of projects which were floated in 1720 shows an extraordinary willingness on the part of the public to take shares in any scheme however wild². As in more recent times, mining offered a great field for such speculation; there were one or two notorious projectors, like Sir Humphry Mackworth³, who were for ever producing new

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for South
Sea trading

and mining
projects.

¹ Postlethwayt, *Dictionary*, s.v. Actions, i. 14. The South Sea Company was partly a trading and partly a financial company; and as the promoters had secured the assiento contract for supplying Spanish America with slaves, and were also engaged in whale-fishery, they appeared to have great opportunities for profitable commerce (*Parl. Hist.* vii. 628). It was, however, as a financial company that they seemed likely to have a fund of wealth which would give them unexampled facilities for using their credit, as the directors were preparing to take over the whole of the National Debt. Under the influence of these large possibilities of gain the public rushed to buy shares, which rose rapidly in market price (*Parl. Hist.* vii. 658). Immense sums were made by those who speculated for the rise, while many *bona-fide* investors who had bought in when the stock was quoted at a high premium were forced to submit to terrible loss. The proprietors who had held on through the rise and the subsequent fall did not, of course, lose so seriously. The attempt to do justice in connection with the affairs of the Company was beset with many difficulties. On the one hand it was requisite to preserve the public engagements unviolated, on the other it was desirable if possible to punish the speculators for the misrepresentations which had gulled the public, and if possible to deprive them of their ill-gotten gains. But it was exceedingly difficult to discriminate between the different classes of shareholders, who had bought at different dates, in any attempt to reimburse them for their losses. The subject is discussed with great care in a series of tracts which were published at the time by Archibald Hutcheson, the Member for Hastings, who criticised the scheme in its earlier stages and kept his head cool during the disaster. A good account will be found in Andréades, *Hist. de la Banque d'Angleterre*, i. 179. The career of the South Sea Company in its financial aspect was at an end; it did not find whaling profitable, and had competitors in the slave-trade.

² See the Order of 12th July, 1720, and list of Bubbles, *Parl. Hist.* vii. 656.

³ *Parl. Hist.* vi. 892.

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—1776.

*The Bank
of England
acquired
experience*

*while
Law's
failure in
France
was a
warning,*

*—and
London
was be-
coming the
chief
financial
centre of
the world.*

*The reac-
tion after
over-
trading*

schemes. The terrible crisis of 1720¹ was the occasion of efforts to check the operations of projectors², and rendered the public more chary of being beguiled by every romance and made them realise the importance of capital as the basis of credit.

The speculative mania at the time of the South Sea Bubble was the most disastrous in the century, and it was only by paying in sixpences, and having recourse to other expedients for delaying its payments in cash, that the Bank saved its own credit, and survived in the general crash. There were other occasions when the Bank of England was fairly successful in intervening, either to check the fever of speculation, or to facilitate recovery after the beginnings of disaster. The directors profited to some extent by financial disasters in other lands; the failure in 1720 of Law's great scheme in France³ was a useful warning as to the danger of an over-issue of paper-currency, and it seriously interfered with the development of banking and credit in that country. On the other hand, the growth of British commerce in all parts of the world rendered England an increasingly favourable field for the investment of capital. London was coming to rival Amsterdam as the financial centre of the world, and the wisdom of the management of the Bank, during the critical year 1763, did much to strengthen its position. The difficulty originated on the Continent, as the Bank of Amsterdam had refused support to a firm named Neufville, which had connections in many business centres, and there were numerous failures in Hamburg and Germany. The effect of these disasters extended to England; but the Bank was able to make such advances as to prevent the results from being fatal to many of the mercantile houses here⁴.

The successive crises of this century were all due to similar causes, and followed on periods of commercial over-trading. From 1769 onwards there was a very rapid increase in the exports from the country⁵, and early in the summer

¹ Compare the petitions in *Parl. Hist.* vii. 760.

² On the Bubble Act, see p. 816 below.

³ For an account of this remarkable man see J. S. Nicholson, *Money and Monetary Problems*, 165.

⁴ Macleod, *op. cit.* i. 502; Adam Smith, *Wealth of Nations*, 181.

⁵ Playfair's *Commercial and Political Atlas* (1801).

of 1772, the inevitable reaction came. The Bank was able to support commercial credit satisfactorily for a time; but the unexpected failure of the Heales¹, a large London house, through defalcations amounting to £300,000, by one of the partners named Fordyce, involved so many other firms in disaster that a general collapse ensued, which seemed almost as serious as the bursting of the South Sea Bubble. As Fordyce had also carried on banking in Scotland, the effects of his conduct extended to that country, and brought about the fall of various trading houses. Among these was the newly-founded Ayr Bank, which had been much less successfully managed than its older rivals. A run began on it just a week after Fordyce had disappeared; after eight days it had to stop payment. There was still £800,000 worth of its paper in circulation, and the distress the failure occasioned in Scotland could only be compared with the disaster caused by the Darien scheme².

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brought
about the
failure of
the Ayr
Bank in
1772.

There was another outburst of commercial prosperity on the cessation of the American War in 1782. The sudden opening up of markets encouraged reckless speculation, and it is said that the Directors of the Bank were incautious in their issues and thus fostered the evil³; but they had wisdom to retrace their steps in time. Their gold reserve was reduced to a very low ebb, but they thought it was possible, by carefully restricting their issues, to tide over the time till specie should arrive, in payment of goods already sent to foreign markets. The point of safety would be marked by a turn in the exchanges, and they refused to make a loan even to Government, in May 1783. It was not till the following October that the favourable signs appeared, and that they felt justified, with regard to their own safety, in extending their issues, by lending to the Government⁴.

The Bank
warded off
disaster in
1782,

Ten years later, with continued peace, there had been a great expansion of trading and there were premonitory symptoms of disaster. The period might perhaps have been tided over but for the outbreak of the Revolutionary War⁵. Almost immediately afterwards a great firm of corn

but the
expansion
of trade in
1792

¹ Macleod, *op. cit.* i. 504.

² *Ib.* ii. 215.

³ *Ib.* i. 507.

⁴ *Ib.* i. 508.

⁵ See below, p. 674.

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—1776.

*was followed by a
crisis*

*which the
Bank
failed to
minimise.*

*The
conditions
of issuing
convertible
paper*

merchants was gazetted, and the results were felt immediately all over the country. The bankers in Newcastle¹ made a gallant but ineffective struggle. It is said that of the four hundred country banks in England at that time no fewer than one hundred failed, while many others only succeeded in weathering the storm with the greatest difficulty. The banks in Exeter and the West of England escaped most easily, but the wave of disaster spread over the North and the panic extended to Glasgow. There was a total destruction of credit, and substantial houses were in imminent danger of failure. It is not perhaps possible to say that this disaster could have been prevented, but it has been generally maintained that the directors of the Bank of England acted with undue precipitancy; the suddenness of their refusal to allow the usual accommodation, gave a shock to credit, which would have been much less severe if their action had been more gradual. Besides this, the extraordinary over-issues of paper in France were causing a flow of gold to this country; the exchanges were favourable, and under these circumstances the directors, especially after the experience of 1782, need not have been so uncompromising in their attitude and so timorous for the safety of the bank². Government did much to relieve the tension by issuing Exchequer Bills³.

Other errors arose from a failure to understand how important it was that paper-money should be really convertible, and to see that a bank could only be carried on when it had wealth in a form which could be promptly realised and used for meeting its engagements. This had been the fundamental error in Chamberlayne's abortive scheme of the Land Bank. The public knew better than the projectors⁴

¹ Macleod, i. 510.

² Sir F. Baring's evidence before the Bullion Committee. Macleod, i. 510.

³ *Ib.* ii. 216. See p. 441 above.

⁴ The promoters had also made extraordinary blunders in calculating the value of landed property. They held that land which a man was entitled to for a hundred years was worth a hundred times the rent, and not something like twenty years' purchase, or twenty times the rent. They thus calculated the land, not at its present value to the purchaser, but at the accumulated value which would accrue by setting aside the rent annually for a century. The prospective savings from land a century hence are not the same as the worth of the land now, but the present worth of the land is the only satisfactory security as a basis for raising credit now. Dr Chamberlayne's project had been approved by the

that it was impossible to circulate bills on the security of wealth which could not be rapidly realised, and they would not subscribe. Experience as to the depreciation of notes which could be circulated, even though not immediately convertible, was gradually acquired. It was brought to light in Scotland by the issue of notes with an optional clause¹, which permitted the bank to defer payment for a period of six months, and still more forcibly in England by the phenomena which occurred after the suspension of cash payments in 1797².

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—1776.

were be-
coming
better
understood.

219. The fact that Scottish economic life since the Union has developed in such remarkable independence of that of England is principally due to the special features of the Scottish banking system. Poor as Scotland was, and large as is the monetary drain to which she has been exposed³, she has been able to dispense with the aid of wealthy outsiders for the development of her resources, and has relied almost entirely on her own capital. There are curious links of connection, and curious differences, between the foundation and the development of banking, both of issue and for deposit, in the two countries.

The bank-
ing system
in Scotland
facilitated
the forma-
tion of
capital
there.

The Bank of Scotland was founded at the same time as the Bank of England, and on very similar lines so far as its business was concerned; but as there was no public debt to be financed, the Scotch institution never established close relations with the Government, or obtained a permanent monopoly⁴. It was started in the same year as the Darien Company, and perhaps seemed a less promising enterprise than that unfortunate undertaking. Its capital was to consist of £12,000 sterling (£100,000 Scots), and by the beginning of 1696 £10,000 was paid up⁵, so that the Bank of Scotland was able to start business, and to make advances of its notes to the public; and from 1704 onwards it circulated the £1 notes⁶ which have formed such a leading feature of its business.

The Bank
of Scotland

issued £1
notes to the
public;

Commons in 1698, and was favoured by the Government in 1696 (Macaulay, iv. 691).

¹ See below, p. 454.

² See p. 699 below.

³ R. Somers, *The Scotch Banks*, 116.

⁴ Acts of Parliament of Scotland, 17 July, 1695, c. 88. They had a monopoly for 21 years.

⁵ A. W. Kerr, *History of Banking in Scotland*, 23.

⁶ There appears to have been an unsuccessful issue in 1699. Graham, *The £1 Note*, 14.

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—1776.

*it had to
reduce its
operations
in 1704,*

*and, after
a period
of fierce
competition
with the
Royal
Bank,*

in the paper currency of Scotland¹. In that year the Bank had to face difficulties, very similar to those which endangered the Bank of England in 1696. The drain of bullion, and rumour that the Privy Council were about to enhance the coin, caused a run on the Bank. It was necessary to make calls upon the proprietors, and to retrench expenses by giving up the branches at Glasgow, Dundee, Aberdeen, and Montrose; but eventually the credit of the Bank was completely restored, and it entered on a period of steady prosperity.

In 1727, the original body found itself exposed to the competition of a rival institution, which obtained a charter as the Royal Bank of Scotland. It was an offshoot from the body of Commissioners, who had been empowered to administer the money paid by England to Scotland² as an equivalent for coming under a share of the Parliamentary obligations with regard to the National Debt. The Commissioners had expended most of the money in meeting the claims which arose in connection with the Darien scheme and fostering fisheries and manufactures; the balance in their hands was considerable, however, and they obtained powers to engage, as a corporation, in banking business. The competition of the two institutions gave rise to some unseemly contests; each tried by collecting the notes of the other and presenting them, with a demand for immediate payment, to cripple its rival; and each had recourse to such expedients as paying in sixpences to balk the attack. Eventually they introduced an "optional clause"³ into the notes, and this rendered these hostile demonstrations futile, though at some slight sacrifice of the value of the paper, as it was no longer convertible at sight.

This rivalry was not wholly mischievous however; the Royal Bank developed a system of giving cash credits⁴ for a definite amount, to any respectable and industrious person for whom two substantial men were ready to vouch. In this

¹ *Report of Select Committee of House of Lords on Promissory Notes, 1826-7.* vi. 473, printed pag. 96.

² See above, p. 418.

³ Kerr, *op. cit.* 45.

⁴ *Report of Select Committee of Lords on the Circulation of Promissory Notes, 1826-7.* vi. 380, printed pag. 4.

way it became comparatively easy for any well-doing young man to obtain a start in business on his own account. This method of making advances became exceedingly popular with the public, and the practice was soon adopted by the Bank of Scotland as well, and became a second special feature in the Scottish banking system. There does not appear to be any certain evidence that the Bank of Scotland was in the habit of receiving deposits from its customers at first¹. But it afterwards developed the business, especially in the way of accepting sums for definite periods, and granting interest upon them².

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—1776.

*developed
a system
of cash
credits*

*and
received
deposits.*

As, however, there was no restriction in regard to banking in Scotland, a considerable number of new institutions came into being, especially in connection with particular trades. The British Linen Company, the third of the Scotch banks³ in age, was, as its name implies, founded to assist in the development of the linen manufacture. A local bank was started at Dundee; and a similar institution at Ayr caused wide-spread ruin in the West of Scotland by its failure in 1772. On the whole, however, the system was prudently and successfully carried on; and several private firms developed a banking department in connection with mercantile business. It does not appear that these private banks in Scotland had been, generally speaking, connected with the goldsmiths' trade. The best known of them all, that founded by the Coutts⁴ and associated with the name of Sir William Forbes, was largely engaged in the corn trade.

*The rivalry
of well-
conducted
banks*

In one way or another, however, the Scotch became rapidly habituated to the use of a convertible paper currency, and a very large proportion of the population were enabled

*led to a
general
adoption*

¹ Graham, *The £1 Note*, 13.

² In his evidence before the Commissioners Mr Paul distinguishes the running and deposit account. "The second branch of deposits consists of small sums placed in the hands of the Bank at interest which have been in general the savings of their industry, and which are put into the hands of the Bank to accumulate * * * in general these deposits are very seldom removed, excepting when an individual has occasion to build a house or begin a business." *Report*, 1826-7, vi. 450, printed pag. 74.

³ A. W. Kerr, *op. cit.* 58.

⁴ Sir W. Forbes, *Memoirs of a Banking House*, 7.

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—1776.

*of paper
money in
Scotland.*

to take advantage of facilities for accumulating and for obtaining the use of capital; these appear to have been the chief agency in bringing about the development of the Scotch fisheries—to the practical exclusion of the Dutch¹.

XIV. PARLIAMENTARY REGULATION OF COMMERCIAL DEVELOPMENT.

*Burleigh's
scheme of
fostering
all elements
of power
by regu-
lation had
ceased to be
appro-
priate;*

220. A consideration of the aims, which statesmen set before themselves after the Revolution, in concluding commercial treaties with foreign powers and regulating intercourse between different parts of the empire, brings out the fact that England had already entered on a new phase of economic life. The main lines of Burleigh's scheme for the promotion of power were being maintained, but marked differences underlay the apparent continuity of policy. Burleigh had been primarily concerned in developing national resources of every kind; the system of well-ordered commerce had been an appropriate means for securing the steady progress of trade, *pari passu* with the improvement of lands and manufactures. During the seventeenth century, however, the country had outgrown the facilities which could be offered by the machinery of regulated trade. The statesmen of the Revolution era were clear that, in so far as any branch of commerce had a healthful effect upon industry, it should be pushed as rapidly and energetically as possible.

*the Tories
would have
given dis-
criminating
permission
to com-
merce of
all kinds,*

There was indeed, as Professor Ashley has pointed out², a remarkable body of men who took an even larger view of the policy which should be pursued towards trade. They would have been content to impose preferential duties, so as to favour our own industries especially, but they were not prepared to stigmatise any branch of trade as injurious to the realm. They argued that the very existence of a trade showed that it was directly advantageous to some classes of consumers, and they were doubtful whether this benefit was altogether discounted by possible injury to the productive energy of the country. At all events, it was clear

¹ Report, 1826-7, vi. 507 (Dunsmure), printed pag. 181.

² *Surveys, Historic and Economic*, 268.

to these writers that to allow the carrying on of commerce with many lands, while the less desirable branches of trade were subjected to high duties, was an easy method of increasing the revenue of the Crown¹. A.D. 1689
—1776.

The more generous economic policy thus commended itself to the Court party, who took the line of favouring a large customs revenue, even when it was to the disadvantage of the landed interest. Their opponents urged that any branches of commerce, which seemed to compete with the industry of the country, should be prohibited, and that those which affected the manufacturing interests favourably should be developed as far and as rapidly as possible. The opposition statesmen had thus reached a point of view from which they were inclined to discard the policy of well-ordered trade altogether, and to adopt modern tactics in the branches of commerce they approved. They did not limit the supply of English goods with the view of keeping up the price obtainable in foreign markets; they tried to increase the volume of business, even though the prices at which particular transactions took place might sometimes be very low. The struggle in regard to commercial policy between the Court and the Country parties was fought out over the French trade, and the Country party won. but the Whigs discouraged trades which did not react favourably on industry,

The Whigs were undoubtedly right in attaching a very high importance to the influence of trade on industrial progress; and the Tories were not in a position to establish their point, and make it clear that a real benefit accrued to the country, indirectly and ultimately, through the existence of branches of commerce which seemed to be injurious to certain industries. The public had come to see that the prohibition of the export of bullion should not be applied mechanically. Mun had convinced his readers that, by means of a small export of silver, a series of commercial movements might be set on foot, which would result in the return of a greatly increased mass of bullion to the country. The protectionists employed the balance of trade as an index of what was good or bad in commercial affairs, as if it might be relied on absolutely, and they held the field. Not one of the controversialists of and relied on indications furnished by the balance of trade ✓

¹ See below, p. 600.

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—1776.

to show
what was
hurtful.

the day was able to show conclusively that the apparent injury wrought to English industry by the French trade was either illusory, or was indirectly compensated. From this distance of time we can see that there were cases, when the sacrifice of colonial trade to the supposed interests of the realm was detrimental to the manufactures which Parliament was most eager to encourage¹. But the indirect effects of trade are not easily analysed or exhibited; even Adam Smith could do little more than point out that any gain, which arose from the mercantilist protection of industry, was purchased at an absurdly dear rate.

The effort
to render
trade sub-
servient to
industry
led to

The simmering discontent which had been felt since the time of Cromwell², in regard to the rapidly increasing importations of manufactured goods from France³, gave rise to a vigorous agitation after 1667, when Colbert revised the French tariffs, and imposed prohibitory rates on English cloth. A document was prepared by Houblon, Papillon and other leading London merchants, which put forward statistical data for asserting that England was a loser by nearly a million (£965,128. 17s. 4d.) a year, in her trade with France⁴. The opposition party in Parliament took up the matter eagerly in the following session; but it was not till 1678⁵ that they were successful in carrying a bill for the prohibition of French trade. The contest was renewed when James II. came to the throne⁶, as the prohibition was removed and a heavy tariff was imposed instead; but at the Revolution the Whigs reverted to the policy of prohibiting the French trade⁷ as hurtful. In spite of the large amount

¹ The Molasses Act, by hampering the New Englanders in their trade, tended to reduce their ability to purchase manufactures. Ashley, *Surveys*, 330. See below, p. 482.

² There are some signs of making common cause with France in the colonial policy of Charles I. (see above, p. 356), but the combined economic and political jealousy of France which was so strongly felt by the Whigs seems to have been aroused by the commercial policy which was pursued by Cromwell and maintained by Charles II. The large imports from France were beneficial to the revenue; and both the Protector and King Charles II. preferred a policy which placed money in the hands of the executive. This was an important element in the curious process of the formation of parties at the Restoration; the Court, rather than the Country party, were following on the lines laid down during the Interregnum.

³ Ashley, *Surveys*, 272.

⁴ *Parl. Hist. App.* cxv.

⁵ 29 and 30 C. II. c. 1, § 70.

⁶ 1 James II. cc. 6, 7. Ashley, *op. cit.* 282.

⁷ 1 W. and M. c. 34. *An Act for Prohibiting all Trade and Commerce with*

of smuggling which was developed under this system of prohibition, the measure was generally regarded as successful in its object of securing the home market to British manufacturers of textile goods. The Act of 1678 was spoken of as marking an era in the history of English commerce¹; and it undoubtedly denotes the time when the English commercial system began to be consciously shaped in the form in which it was successfully attacked by Adam Smith. From the Revolution till the revolt of the colonies, the regulation of commerce was considered, not so much with reference to other elements of national power, or even in its bearing on revenue, but chiefly with a view to the promotion of industry.

This is illustrated very clearly in the attitude which was taken by the British public in regard to two of the commercial treaties of the time. There had been days when wool, or undressed cloth, had been the chief commodities of English export, but eighteenth century statesmen were more concerned in trying to secure a better market for finished cloth. This was the aim of Mr Methuen, in carrying through the much vaunted treaty with Portugal, which was concluded in 1703. All those who were interested in the widely diffused manufacture of English cloth, regarded the negotiations as most successful, since they served to reopen a market which had been partially closed. During the preceding twenty years, the Portuguese, in the hope of fostering a native manufacture, had prohibited all importation of English cloth². Mr Methuen was sent as a special ambassador to Portugal and intimated that it would be very acceptable to

France. "Forasmuch as your Majestyes upon just and honourable grounds have beene pleased to declare actuall Warr with France and to enter into Severall Confederacies for carrying on the same and that it hath beene found by long experience that the Importing of French Wines, Vinegar, Brandy, Linnen, Silks, Salt, Paper and other the Commodities of the Growth, Product or Manufacture of France or of the Territories or Dominions of the French King hath much exhausted the Treasure of this Nation lessened the Value of the native Commodities and Manufactures thereof and greatly impoverished the English Artificers and Handycrafts and caused great detriment to this Kingdome in generall Bee it therefore enacted " etc.

¹ Smith, *Memoirs of Wool*, i. 825.

² *British Merchant*, iii. 82. This Portuguese manufacture appears to have been due to the energy of an Irishman in 1680 who took a band of artisans over with him and established the trade.

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the prohibition of French trade,

and the securing of the Portuguese market for cloth

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—1776.

by admit-
ting Portu-
guese wines
on special
terms.

the Queen of England "if the woollen cloths, and the rest of the woollen manufactures of Britain, might be admitted into Portugal, the prohibition of them being taken off." He was able to carry this point: on the other hand, he conceded to the Portuguese that their wines should always be admitted into England at two-thirds of the duty paid on French wines. This treaty had some curious minor results; through its operation the culture of the vine was somewhat extended in Portugal²; and the wines thus introduced into England supplanted Burgundy³ on the tables of those who adapted their consumption to the supposed advantage of the realm. The man who drank his bottle of port could feel that he was dealing with people who were large customers for English cloth, and indirectly facilitating the employment of the poor at home. The extent to which Portugal took off our manufactures, and thus encouraged industry in this country, appeared to be measured by the vast amount of Brazilian

¹ Chalmers, *Collection of Treaties*, II. 804 (27 Dec. 1708). In his adverse criticism of this treaty Adam Smith (*Wealth of Nations*, IV. c. 6, p. 224) does not take sufficient account of the circumstances under which the agreement was made. Englishmen, who were bargaining for liberty to trade at all, could hardly hope to obtain exclusive or preferential privileges at a single stroke. According to the statement in the *British Merchant* (III. 89) the cloth manufacture in Portugal was entirely ruined when the market was opened to British goods. The subsequent revival of the manufacture by the Marquis of Pombal rendered the arrangement nugatory, so far as English manufacturing interests were concerned. Leone Levi, *History of British Commerce*, 29.

² The Portuguese appear to have been very anxious to maintain their special advantage over France in the English market. *Parl. Hist.* VI. 792.

³ Stanhope, *History of England, comprising the Reign of Queen Anne*, 112. The taste of wine drinkers in America was affected by similar considerations. Madeira wine, not being an European commodity, could be imported directly into America and the West Indies; these countries enjoyed a free trade to the island of Madeira, in all the non-enumerated commodities. "These circumstances had probably introduced that general taste for Madeira wine which our officers found established in all our colonies at the commencement of the war which began in 1755, and which they brought back with them to their mother country, where that wine had not been much in fashion before. Upon the conclusion of that war, in 1763 (by the 4th Geo. III. c. 15, § 12), all the duties, except £8. 10s., were allowed to be drawn back upon the exportation to the colonies of all wines except French wines, to the commerce and consumption of which national prejudice would allow no sort of encouragement" (Adam Smith, *Wealth of Nations*, Book IV. c. 4, p. 204). The long-established taste for French wines which had been developed under the natural trading connections of these countries for centuries was not easily suppressed, and there seems to have been a great deal of illicit trade in this article.

bullion which was annually imported from Portugal. This was estimated at £50,000 per week; and though Adam Smith shows good reason for regarding this as an exaggeration¹, there can be no doubt that the amount of bullion which flowed into England through this trade was very large. We cannot wonder that, according to the ideas of the time, Methuen's achievement was rated very highly²: he had opened up a large foreign demand for our goods, and had thus stimulated the employment of labour at home; while much of the returns from Portugal came to us in the form which was most necessary for restoring the currency, and most convenient for carrying on the great European War.

A still more interesting illustration of the eagerness of the English public to form such foreign relationships as might conduce to the prosperity of our manufactures, is furnished by the failure of the Tory Government to carry out their schemes of trade policy, when they were negotiating the Treaty of Utrecht in 1713. The treaty proposed to open trade, on the basis of the arrangements which had existed in 1664, before the war of tariffs and occasional prohibitions³, which had lasted for nearly half a century, had begun to rage. Bolingbroke endeavoured, without success, to revert to the traditional policy of the Court party in regard to intercourse with France; by the eighth and ninth clauses of the commercial treaty, which accompanied the Treaty of Peace, it was agreed that French goods should be imported subject to the duties exacted in 1664 and on the same terms⁴ as the most favoured nation⁵. A bill was

¹ *Wealth of Nations*, iv. 6, p. 228.

² Compare Smith's *Memoirs of Wool*, II. 51 note.

³ The prohibition of French wine was removed in 1710 by 9 Anne, c. 8.

⁴ The existing impost was much more onerous (4 and 5 W. and M. c. 5). This proposal seemed to endanger the Methuen Treaty, as England had promised to show more favour to the wines of Portugal than to those of any other country. If we admitted French wines on as favourable terms as Portuguese, we should infringe the Methuen Treaty, and the Portuguese would then be at liberty to retaliate by prohibiting our woollen goods. The loss of this market would affect the manufacturers, who were engaged in producing cloth, and the landlords, whose rents improved when the price of wool kept up and pasture farming was profitable. The authors of the *British Merchant* were anxious to convince our legislators "that the preserving our looms and the Rents of Great Britain was of greater Consequence to the Nation than gratifying our Palates with French Wine." *British Merchant*, I. p. ix.

⁵ Koch and Schoell, I. 214.

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This
Methuen
treaty

presented
an obstacle

to ratifying
the treaty
of 1713,

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which
would have
allowed the
growth of
French
trade,

drafted¹ to give effect to this agreement and make the necessary alterations in the tariffs, which then imposed more than fifty per cent. on French imports² above what was taken on the goods of other countries. There was a general dread that the proposed arrangement would not only open the home market to the competition of French manufactures, but would indirectly lead to a rupture with Portugal, and the closing of the profitable market for English goods which had been secured in 1703. The proposal roused a storm of indignation; the Government endeavoured to be loyal to their agreement, and tried to secure the suspension of the duties on French wines for two months, in the hope that there would be difficulty in re-imposing them; but though they commanded a majority in the House of Commons, the motion was rejected. A very interesting struggle followed, as both the Government and their opponents endeavoured to win the day by convincing public opinion. Daniel Defoe³ was employed to carry on the *Mercator*, which was published thrice a week, and was devoted to demonstrating the beneficial character of the French trade. "As he had," to quote his

¹ This and other documents are printed at length in the *British Merchant*, vol. i. 180.

² Adam Smith summarises the matter thus in the third edition, "Higher duties are imposed upon the wines of France than upon those of Portugal or indeed of any other country. By what is called the impost 1692, a duty of five-and-twenty per cent. of the rate or value, was laid upon all French goods; while the goods of other nations were, the greater part of them, subjected to much lighter duties, seldom exceeding five per cent. The wine, brandy, salt and vinegar of France, were indeed excepted; these commodities being subjected to other heavy duties, either by other laws or by particular clauses of the same law. In 1696, a second duty of twenty-five per cent., the first not having been thought a sufficient discouragement, was imposed upon all French goods, except brandy; together with a new duty of five-and-twenty pounds upon the ton of French wine, and another of fifteen pounds upon the ton of French vinegar. French goods have never been omitted in any of those general subsidies or duties of five per cent. which have been imposed upon all, or the greater part, of the goods enumerated in the book of rates. If we count the one-third and two-third subsidies as making a complete subsidy between them, there have been five of these general subsidies; so that before the commencement of the present (1788) war, seventy-five per cent. may be considered as the lowest duty to which the greater part of the goods of the growth, produce, or manufacture of France was liable. But upon the greater part of goods, these duties are equivalent to a prohibition. The French in their turn, have, I believe, treated our goods and manufactures just as hardly." *Wealth of Nations*, iv. 8, Pt. 1, p. 192.

³ Smith's *Chronicon*, ii. 106.

opponents' complaint, "a Knack of writing very plausibly, ^{A.D. 1689} and they who employed him and furnished him with ^{—1776.} Materials, had the Command of all the publick Papers in the Custom House, he had it in his Power to do a great deal of Mischief, among such as were unskilled in Trade, and at the same Time very fond of French Wine, which it was then a great Crime to be against¹." The antagonists of France, however, started an opposition paper named the *British Merchant*, which came out twice a week²; several leading merchants were among its contributors, and they were practically successful, for the Methuen Treaty was maintained, and no effect was given to the commercial clauses of the treaty with France. Trade between the two countries was carried on, under scarcely altered conditions, for more than eighty years after the signing of the Methuen Treaty, until the dominant policy was at last reversed, with Adam Smith's approval, under the guiding hand of Pitt³.

and this policy was not abandoned till 1788.

221. The reasoning which brought about the interruption of the French trade in 1678 gave rise to a new agitation against the East India Company and its operations. In the early seventeenth century the export trade of this Company had been the chief subject of attack, as they were so much in the habit of sending silver to the East. The fiercest opposition, in the period of Whig ascendancy, was directed against their import trade; since the goods they brought from the East, served as substitutes for textile fabrics woven in England. It was alleged that Indian muslins and silks interfered with the demand for English goods in the home market, and prevented the export of English manufactures to foreign countries. The Act of 1663, which permitted the exportation of bullion without a license, gave a great impulse to the East India trade; but the Company con-

The same principle underlay the attack on the East India Co.

¹ King, *British Merchant*, i. p. x.

² This controversy incidentally raised the question as to the alleged superiority of English wool (see p. 504 n. 7, below). Defoe argued in the *Mercator* that England had such an advantage from the character of the raw material available, that she could, by restraining the export of wool, secure to her manufacturers a monopoly of the markets of the world. "This extraordinary assertion put the *British Merchant* under the necessity of showing the real circumstance of England in regard to wool"; this "jury of the most eminent English merchants" held that the French manufacturers had access to ample supplies from other quarters. Smith, *Chronicon*, xi. 109 n. and 117.

³ See p. 602 below.

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which
imported
goods that
competed
in the home
market

with
English
manu-
factures,

such as
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tinued to import drugs and spices, as their chief returns, till about 1670, when a considerable quantity of textile goods was brought over, and some artisans were sent out to introduce patterns suitable for sale at home. So great was their success, that a few years later it was alleged that "from the greatest Gallants to the meanest Cook Maids nothing was thought so fit to adorn their persons as the Fabricks of India, nor for the ornaments of Chambers like India Skreens, Cabinets, Beds and Hangings, nor for Closets, like China and Lacquered Ware¹." It thus appeared that the field for the employment of English subjects was becoming restricted, through the importation of commodities manufactured abroad; it was argued that to divert employment from Englishmen to Hindus was distinctly prejudicial to the good of the realm², and that, though the East India trade might have been profitable as long as it was confined to the importation of Eastern products like spices, it became distinctly hurtful when it consisted largely of importing textile fabrics and other goods, which took the place in the home market of articles already made in England³.

There was a great outcry from the fan-makers, who seem to have been a numerous class⁴, but the chief complaint arose in connection with the clothing trades. The Company "finding the Advantage they had of having their Goods cheap wrought by the wretched Poverty of that numerous People, have used sinister Practices to betray the Arts used in their Native Country, such as sending over Artificers⁵ and Patterns to instruct them in the way of making Goods, and Mercers to direct them in the Humour and Fancy of them, to make them fit our Markets"; this had affected not only the silk

¹ Pollexfen, *A Discourse of Trade, Coyn and Paper Credit* (1697), p. 99.

² This was another point argued in the attack made by the Turkish Company on the East India Company in 1681. *The Allegations of the Turkey Company and Others against the East India Company* [Brit. Mus. 522. l. 5 (8), p. 4].

³ Compare *A Memento to the East India Companies* [Brit. Mus. 1029. c. 21 (9), (1700), p. 19]. This consists of a reprint of a remonstrance presented by the East India Company to the House of Commons in 1628, with animadversions upon it, showing how much the character of their trade had altered since that time, and that it could no longer be defended upon the same grounds.

⁴ *The Fann Makers Grievance* [Brit. Mus. 816. m. 12 (97)].

⁵ This was denied, except as regards one or two dyers, by the East India Company in their answer to the *Allegations of the Turkey Company* [Brit. Mus. 522. l. 5 (8), p. 12].

weavers at home, but the Norwich clothiers also¹. It was argued that the employment of 250,000 manufacturers would be injuriously affected by allowing this trade to continue, and that this must react on the price of wool and the prosperity of the landed interest². The case of the Company was powerfully stated by Davenant; he showed that "the Importation of East India and Persia Wrought Silks, Stain'd Calicoes, etc., though it may somewhat interfere with the Manufactures of Norwich, Bristol and other particular Places; yet, that such Importation adds to the Kingdoms main Stock and Wealth, and is not prejudicial to the General Woollen Manufacture of England³." But he did not succeed in convincing the general public that the trade was not hurtful to the employment of our own people. The reply was put thus: "Suppose a merchant send £10,000 to India and bring over for it as much wrought Silks and painted Calicoes as yield him here £70,000, if they be all worn here in the room of our own Silk and Woollen manufactures, the Nation loses and is the poorer £10,000, notwithstanding the Merchant has made a very profitable Adventure, and so proportionably the more and oftner he sends, the faster he grows rich, and the more the Nation is impoverished⁴." The attempt to discuss the question, without reference to the export of Indian silks to other countries in Europe, was unfair to the Company; but the arguments are of interest as they proved convincing, and the objectors were successful in carrying their point, for they obtained an Act of Parliament in 1700 to restrict the trade, so far as the home market was concerned⁵. It was alleged, after a brief experience, that the

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—1776.
woollen
cloth

and silk.

¹ *The Great Necessity and Advantage of Preserving our own Manufacturies*, by N. C., a weaver of London [Brit. Mus. 1029. c. 21 (7), (1697), pp. 7, 13].

² *Reasons Humbly Offered for the Passing a Bill for the Hindering of the Home Consumption of East India Silks*, by T. S., a weaver of London (1697), p. 3 [Brit. Mus. 1029. c. 21 (8)].

³ *An Essay on the East India Trade* (1696), p. 83.

⁴ N. C., *Great Necessity and Advantage of Preserving our own Manufacturies*, 6.

⁵ 11 W. III. c. 10, *An Act for the more effectually employing the Poor by encouraging the Manufactures of this Kingdom*: "Whereas it is most evident That the Continuance of the Trade to the East Indies in the same Manner and Proportions as it hath been for Two Yeares last past, must inevitably be to the great Detriment of this Kingdom by exhausting the Treasure thereof and melting downe the Coine, and takeing away the Labour of the People whereby very many

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results were most satisfactory; Canterbury "was become desolate, they are now returned to their Homes, as before they left them, in Shoals and Companies. Their Houses and their Bellies are full; They rather want Hands than Work, and there is at this Day neither Complaint nor Decay among them for lack of Employment," while Norwich and London weavers were flourishing too¹. The interest of English manufacturers served to reinforce the agitation, which had been growing among merchants, against the commercial and judicial privileges of this joint-stock Company, and imperilled its very existence².

*There were
also good
grounds for
criticising
the conduct
of the
Company*

*with re-
gard to the
employ-
ment of its
capital*

From the time of the conflict between the two Companies³, the principle of maintaining a joint-stock company for the management of the East Indian trade appears to have been generally accepted; but there was frequent complaint as to the manner in which the Company's affairs were conducted. The troubles of different kinds, which arose, were not altogether the fault of the Company, but were partly its misfortune. The English Government burdened these privileged associations with heavy political and judicial responsibilities, while the French and Dutch traders, with whom they had to compete, were under no similar obligations. It is true, too, that in order to purchase the right to exist, the East India Company had been compelled to sink a large part of their wealth in purchasing concessions from Government, and that they were often hampered for want of sufficient ready money with which to carry on their trade. It was the error of not a few commercial men, at this era, that they did not sufficiently realise the limits within which credit will serve to take the place of capital.

of the Manufacturers of this Nation are become excessively burdensome and chargeable to their respective Parishes and others are thereby compelled to seek for Employment in Forreigne Parts." East India goods were to be warehoused for re-exportation and not sold within the country.

¹ *Reflections on the Prohibition Act* (1708), p. 8 [Brit. Mus. 1029. c. 21 (10)].

² It seems as if the East India Company owed its continuance to the fact that the Government was under heavy pecuniary obligations to these merchants, and was unable to discharge them immediately. See above, p. 268. Successive administrations were unable to consider the matter dispassionately and to view the question either as one of fair-play among merchants, or of British interests in India. See p. 261, note 9.

³ See p. 209 above.

During this period the possessions of the Company had undergone startling vicissitudes; they had been almost destroyed by the French, but the fortunes of the English were restored by the skill and energy of Clive, and their influence had at last triumphed in all the three Presidencies. Clive's greatest achievements had been effected in open disregard of the instructions of the Directors; and his whole career illustrates the extreme difficulty under which the Company laboured, from its relation to servants who were so far distant as to be exempt from all practical control. He believed that the Company would be better served, if the officials enjoyed a different status and had more freedom from routine. The system on which they were paid was very unsatisfactory; their salaries were small, and they were obliged to eke out their resources by taking part in the internal trade of the country. The Company reserved the trade between the Indies and Europe, as a strict monopoly, for itself; but allowed its servants to engage on their own account in trade between different parts of the Indies. This private trade led to many imbrolios with the natives, as in certain cases, where the goods of the Company were allowed to go free of custom by the authorities in Bengal, the agents endeavoured, and not without success, to pass their private speculations at the same time¹. Private trade was looked on with disfavour, because many officers were apt to give their best attention to their own ventures, and to neglect the affairs of the Company they served. One of the reforms which Clive endeavoured to carry through, in 1765, was the establishment of a monopoly of salt, betel-nut, and tobacco; this monopoly was intended to be carried on for the benefit of the superior servants of the Company². The Directors were strongly opposed to this private trade society, and it was abolished in 1768³.

Indeed it may be said that, while the chief troubles of the Company in earlier times were due to the interlopers, those which occurred during a great part of the eighteenth

¹ Mill, *History of British India*, III. 25, 280.

² *Ib.* III. 289.

³ *Ib.* III. 310.

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century arose from the conduct of the servants. They often acquired large fortunes¹; and their successes stimulated the imagination of the proprietors, who recklessly insisted on securing large dividends, and embarrassed the Company by dividing sums which had not been earned, and which, as the Directors knew, exceeded what the Company was able to pay.

*The
Directors
and their
agents
often
differed*

*as to the
'invest-
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*and 're-
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*and the
business
was so
intricate*

Not only were there difficulties in regard to the personal conduct of officials, but the management of the Company's own affairs gave rise to differences of opinion between the Directorate and the Company's agents in India. There was one point in regard to which they were in constant conflict. It was necessary for the Presidential governments to have considerable treasure in bullion to meet emergencies, and they were therefore inclined to limit the amount of their 'investment' in goods for transmission to England. The profit on the trading, and the dividends, depended on the goods sent to England; it was therefore to the interest of the Directors and shareholders that the investment should be large. Here was one cause of trouble; another arose when, as occasionally happened, the Council of a Presidency tried to replenish their local treasury by opening it to receive 'remittances'; they would encourage the Company's servants to pay cash into the treasury; money might then be remitted by means of bills to England and the value paid to the representatives of the servants there. But there was danger, at all events, that the Council would issue more bills than the Court of Directors at home were able to meet², and this gave much occasion for dispute.

These difficulties of management, from the practical independence of the servants and from the difficulty of maintaining two treasuries so as to meet the necessary payments, were all the more serious, since the trading business itself was exceedingly intricate. Fine muslins and silks were among the largest imports. In the process of buying goods, the

¹ Clive is reported to have said that the temptations held out to adventurers in that part of the globe were such as flesh and blood could not withstand. *Parl. Hist.* xxi. 446.

² Mill, *op. cit.* III. 312.

European agent was five removes distant from the workman. A.D. 1689
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Each of the intermediaries obtained his commission; the complicated machinery of trade gave rise on the one hand to great oppression of the labourer, while on the other it afforded frequent opportunities for malversation and fraud. *that supervision was impossible*

The officials of the Company were organised in four different classes. They entered as writers; after five years' service they became factors; three years later, junior merchants, and after three years senior merchants. The high official positions were given to senior merchants¹, and promotion was almost entirely by seniority. The patronage which the Directors were able to exercise was a very valuable power, and was of more importance to many of them than the wealth which accrued from their ownership of shares in the Company. Under these circumstances there can be little wonder that Clive, at the beginning of his second administration, should have reported that the whole administration was corrupt², or that the Directors complained of the "deplorable state to which our affairs were on the point of being reduced, from the corruption and rapacity of our servants, and the universal depravity of manners throughout the settlement. The general relaxation of all discipline and obedience, both military and civil, was tending to a dissolution of all government.... We must add that we think the vast fortunes, acquired in the inland trade, had been obtained by a series of the most tyrannic and oppressive conduct that ever was known in any age or country³."

and corruption rampant.

The mal-practice of the officials

These disclosures aroused wide-spread indignation, which was fomented by retired servants, and by proprietors who were discontented with their position. As a result a Parliamentary enquiry was undertaken, and an Act

¹ Mill, *op. cit.* iii. 16.

² Both the Portuguese and the Dutch had to contend with similar difficulties in regard to their officials. The utter demoralisation of the Portuguese who settled in India was perhaps the chief reason of the destruction of their power. Raynal, *History* (1777), i. 141. On the Dutch, see Raynal, i. 266.

³ Mill, iii. 279. It was one of the great achievements of Lord Cornwallis that he raised the tone of the Indian service in such a remarkable manner. Chesney, *Indian Policy* (1868), 23.

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Company

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defining the financial obligations of the Company to Government was passed in 1768. It was evidently drafted¹ on the assumption that the Company had control of enormous riches, whereas the large dividends which had been recently paid had brought them to the verge of bankruptcy². But almost immediately after this Act was passed, the public became aware of the real position of the Company, and there was the strongest excitement against the Directors for having, as it was supposed, frittered away the exaggerated resources at their command. There were two opposite suggestions for remedying a condition of affairs which all regarded as discreditable. The Directors made some endeavours to exercise more complete control themselves over their servants by sending out supervisors, who never arrived³, and by promoting a Bill for increasing their powers, which the House of Commons would not pass⁴. The opposing scheme was that of giving the English Government a firm hold upon the conduct of the Company, both at home and abroad⁵. The Ministry proposed a series of changes which aroused the alarm of Directors, and they protested that "notwithstanding the Company were thus deprived of their franchise in the choice of their servants, by an unparalleled strain of injustice and oppression, they were compelled to pay such salaries as Ministers might think fit to direct, to persons in whose appointment, approbation, or removal, the Company were to have no share⁶." The opposition was taken up by the City of London, but it had no results, and the new order was constituted in 1773⁷.

¹ By this Act (9 Geo. III. c. 24) it was determined that for five years the Company should pay annually into the Exchequer a sum of £400,000, that they should export £380,000 worth of British merchandise, and that their outstanding debts should not be allowed to exceed the amount of the sums due to them from the Government. On the one hand provision was made for reducing the payment, if the dividend fell off, and on the other, for increase of their loans to Government if they had a surplus. A somewhat similar arrangement had been concluded for two years by 7 Geo. III. c. 57.

² The French Company, organised by Colbert in 1664, was equally unskilful in its trade; in 1684 they lost half their capital, and they were still in an embarrassed condition in 1723. Malleon, *History of the French in India*, pp. 27, 57.

³ Mill, *op. cit.* iii. 340.

⁴ *Ib.* 348, 345.

⁵ The probable purity and value of direct Government control must not be judged by present standards. See the debate on Contractors in *Parl. Hist.* xxi. 423.

⁶ Mill, iii. 349.

⁷ 18 Geo. III. cc. 63, 64.

The ultimate effect of the new measures, as they influenced the administration in India, was most beneficial; so far as the internal constitution of the Company was concerned, the principal change was that of raising the voting qualification of a shareholder from £500 to £1000. A large number of the smaller proprietors were thus disfranchised, to their great indignation¹; but it was apparently supposed that the Directors would be less tempted than before to try and meet their extravagant wishes for large dividends. Their demands were undoubtedly due to the extraordinary over-estimate of the riches which the Company handled, and the efforts of the Directors to keep down the dividend rendered them very unpopular with the proprietors, who were besides able, in 1767, to force the management into courses which were known to be imprudent. The political and commercial affairs of the Company continued to be in a position of serious difficulty, and in 1783 Fox and Pitt put forward rival schemes for strengthening the public control². Through all the changes and difficulties, the East India Company still retained its old character and remained as it had been in fact, though not at the very first in form, a joint-stock company. The existence of the Company kept alive a feeling of jealousy against the members of a privileged body. This sentiment in the mercantile community was taken up by Adam Smith, and employed against all citizens who were specially favoured by Parliament in the pursuit of their callings.

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the smaller proprietors were disfranchised,

but the Company continued to manage its affairs under a Board of Control.

222. The constant attempt to render commerce subservient to the promotion of home industry had far-reaching results in connection with the colonial trade. Almost as soon as the plantations were established, it had been thought necessary to take steps to ensure that the benefit, arising from the trade in their products, should accrue to England, and not be diverted into other channels. As time passed, and the population in the American settlements increased, English traders and manufacturers became anxious to retain their monopoly in the colonial market for European goods. The

As the colonies grew

¹ Mill, III. 349.

² A Board of Control was established by 24 G. III. c. 25. Its powers, as interpreted by the Declaratory Act (28 G. III. c. 8), embraced all the affairs of the Company.

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*the Navigation Acts
supplied a
suitable
mechanism*

*for controlling
their traffic*

*so as to
promote
British
industry,
and to
render
England a
staple*

*for enumerated com-
modities.*

Navigation Act lay ready to hand, as a convenient instrument for administering commercial affairs on the new and approved lines of fostering industry; and the expedient of regulating this branch of commerce, by delegating it to a Company, was inapplicable. Though several of the trading Companies survived the Revolution, they no longer served as a satisfactory medium for enforcing rules of trade, as they had done in the times of Elizabeth; the plantation trade could be controlled, without being confined to a privileged body of merchants, through the machinery of the Navigation Acts. There was an elaborate system for the registration of ships, and the owners could be compelled to give bonds for carrying their cargoes to a destination approved by Government. In this way it was possible to retain to the mother-country¹ the whole business of supplying the colonists with imports of every sort², and at the same time to render England a staple for the distribution of the more valuable American products in other parts of the world. Fish, cereals, and timber, which were the principal commodities of the New England States, might be shipped to any market; but the tobacco of Virginia, the rice and cotton of Carolina, and the sugar of the West Indian islands, along with naval stores, were enumerated specially, and these commodities were reserved for shipping

¹ The official view of the economic importance of the colonies is clearly stated in 15 C. II. c. 7, § 4, "And in regard His Majesties Plantations beyond the Seas are inhabited and peopled by His Subjects of this His Kingdome of England; for the maintaining a greater correspondence and kindnesse between them, and keeping them in a firmer dependance upon it, and rendring them yet more beneficiall and advantageous unto it in the farther Employment and Increase of English Shipping and Seamen, vent of English Woollen and other Manufactures and Commodities, rendring the Navigation to and from the same more safe and cheape, and making this Kingdome a Staple, not onely of the Commodities of those Plantations, but alsoe of the Commodities of other Countreyes and Places, for the supplying of them; and it being the usage of other Nations to keepe their [Plantations] Trade to themselves."

² As a consequence the balance of trade was steadily against the colonists. "The importation of New England exceeds the exportation, which, if not balanced, will bring this double evil,—it will oblige us to set up manufactures of our own, which will entirely destroy the naval stores trade and employ the very hands that might be employed in stores. * * * The best way to keep the colonies firm to the interest of the kingdom is to keep them dependent on it for all their necessaries, and not by any hardships to force them to subsist of themselves. * * * Allow them to keep the balance of their trade, and they will never think of manufactures." Banister, quoted by E. Lord, *Industrial Experiments in the British Colonies of North America*, p. 133.

to England only¹. It appears that the efforts to enforce this system after 1696 were more stringent than they had been before², and so far as colonial exports are concerned, they seem to have been fairly successful.

The West Indian islands were the most favoured of all the colonial possessions of England, and great pains were taken, both on political and economic grounds, not only to restrain their trade to Englishmen but to secure the development of these plantations. An immense amount of English capital was engaged in the commerce which centred round these islands³. The traffic with England was important, as well as that with New England⁴; but there was also much money to be made in the lucrative commerce with Central America, which the Spaniards⁵ endeavoured to reserve for

Great attention was given to the West India islands

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¹ 12 C. II. c. 84. Rice and naval stores were not added to the list till 1706, 3 and 4 Anne, c. 8, § 14. On the whole subject compare the excellent monograph by G. L. Beer, *Commercial Policy of England towards the American Colonies*, in *Columbia College Studies*, III. 45.

² See above, p. 211. Beer, *op. cit.* 181.

³ Bryan Edwards is at pains to point out "that the sugar planters generally speaking are but so many agents or stewards for their creditors and annuitants in the mother country; or if in some few instances they are independent proprietors themselves, it is in Great Britain alone that their incomes are expended and their fortunes ultimately vested" [*History, Civil and Commercial of the British West Indies* (1819), II. 588]. He instituted a comparison between the East India Trade and that with the West Indies (about 1790), which brings out the importance of the latter. The capital employed in the East India Trade was £18,000,000, as against £70,000,000 in the West. The exports to India and China were valued at £1,500,000, while the corresponding figures for the West Indies were £3,800,000. The imports by the East India Company were £5,000,000, while importation from the West Indies was given as amounting to £7,200,000. The duties paid to Government were in the one case £790,000, and in the other £1,800,000; and only 80,000 tons of shipping were employed in East India trade, as compared with 150,000 tons in the West.

⁴ On the English efforts to foster this trade in competition with the French, see below, p. 492.

⁵ On the history of this dispute see Coxe's *Memoirs of Sir R. Walpole*, IV. 8. Mr Keene, the English representative at Madrid, thus summarised the matters in dispute: "Upon the whole, the state of our dispute seems to be, that the commanders of our vessels always think they are unjustly taken, if they are not taken in actual illicit commerce, even though the proofs of their having loaded in that manner be found on board: and the Spaniards on the other hand presume, that they have a right of seizing, not only the ships that are continually trading in their ports, but likewise of examining and visiting them on the high seas, in order to search for proofs of fraud, which they may have committed; and till a medium be found out between these two nations, the government will always be embarrassed with complaints, and we shall be continually negotiating in this country for redress without ever being able to procure it." Coxe's *Walpole*, IV. 9.

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as a depot
for Mexican
trade

themselves. The illicit trade between the West Indian islands and Mexico¹ was valued by the colonists because it enabled them to procure quantities of silver² with which they paid for European goods³. But the trade declined in the latter part of the eighteenth century; the Spaniards pursued a more liberal policy towards the settlements in Mexico, so that they had less motive for engaging in smuggling⁴. The English on the other hand began to enforce the Navigation Laws⁵ more strictly in 1764, and seized the Spanish vessels trading between the English islands and Mexico. Next year the English endeavoured to rectify this mistake by establishing in Jamaica four free ports, into which foreign vessels were allowed to import the produce of foreign colonies⁶. Unfortunately however, the English officials kept a list of the names of those who imported bullion from Mexico; the Spanish Government succeeded in obtaining a copy of this list and severely punished some traders for the illegal exportation⁷.

and in connection
with the
slave trade,

There was another highly profitable trade which connected the West Indian islands, not only with the Spanish mainland and with some of the English plantations on the mainland, but with Africa as well. The African slave trade appears to have been encouraged, if not devised, from motives

¹ The English claimed a right to cut logwood at Campeachy, but the Spaniards repudiated it. *Parl. Hist.* VIII. 684.

² F. Hall, *Importance of the British Plantations in America to this Kingdom* (1781), p. 41.

³ The colonies had some difficulty in finding suitable returns for their purchases from England; hence the advantage from cultivating new products. The introduction of rice into Carolina, where it was immediately successful, helped the southern colonists to discharge their indebtedness. F. Hall, *Importance of British Plantations*, p. 18. Beer, *op. cit.* p. 52.

⁴ Edwards, *History of the West Indies*, I. 298.

⁵ The Navigation Act of 1660 was amended by 15 C. II. c. 7 by the insertion of a clause which had a very important effect on the West Indies. It enacted that in order to make England a staple, both for colonial products and for supplying the plantations with manufactures, all European goods for the use of the plantations were to be fetched from England, Wales or Berwick, and from nowhere else. This appears to have been aimed at the French, and the wine trade, rather than at the Dutch. It practically repealed the clause which allowed foreign countries to ship their own products to English colonies, and it cut off Ireland from direct trade with the colonies.

⁶ Foreign manufactures and produce of British colonies which served as the raw material for British manufactures were not included in this permission. 6 Geo. III. c. 49.

⁷ Edwards, *op. cit.* I. 295.

of philanthropy. The American natives were physically unfit for hard toil on the plantations¹, and Bartholomew de las Casas urged that Africans were so constituted that they could work hard in this tropical climate without serious injury². In the northern colonies, where white labourers were able to exert themselves fully, there was no advantage in the employment of negro labour. Though some direct voyages were made from the African coast to Newport³ and other ports on the mainland, the more usual practice appears to have been to ship the slaves to the West Indian islands from Africa, and thence, as they were needed, to Spanish America and the Virginian plantations.

The ordinary Englishman of the eighteenth century simply regarded the slave trade as a great branch of the carrying trade which gave employment to English shipping; the Asiento⁴ Treaties were a bargain with the Spanish Government, by which England secured the sole right of

*in which
England
was
largely in-
terested,*

¹ Edwards, II. 45. This did not give them immunity from slavery, however. "The traders on the Musquito shore were accustomed to sell their goods at very high prices and long credit, to the Musquito Indians, and the mode of payment set on foot by the British settlers, was to hunt the other surrounding tribes of Indians, and seize them by stratagem or force, from whence they were delivered to the British traders as slaves, at certain prices, in discharge of their debts, and were by them conveyed as articles of commerce to the English and French settlements in the West Indies. The person among others, concerned in this shameful traffic, had been the superintendent himself, whose employment was ostensibly to protect the Indians, from whence, as the House will easily perceive, all kinds of jealousy, distraction, and distrust had prevailed: several of the Indians and particularly the King, complained to my friend of the distracted state of the natives, from this species of commerce." *Parl. Hist.* XIX. 62.

² W. Robertson, *The History of America*, I. 818.

³ Washburn, *Slavery in Massachusetts*, 218; Bancroft, *op. cit.* III. 405.

⁴ English jealousy was roused by the treaty of 1701, which gave the French Company of Guinea the exclusive right for ten years. The Company was allowed to furnish annually 4800 slaves and in time of war 8000, on payment of 100 livres tournois each for the first 4000, the remainder to be free. For this they advanced 600,000 livres to the King to be paid back during the last two years of the Treaty. The Company had the right to export goods or metals to the value of the slaves imported. The Kings of France and Spain each had a share of a fourth in the Treaty, and as the King of France did not find it convenient to pay his share of the capital, 1,000,000 livres, the Company was to advance it to him at 8 per cent.

In Art. 12 of the Treaty between Spain and England in 1713 Spain gave to England and the English Co. the Asiento to the exclusion of Spanish subjects and all others for thirty years dating from 1713, on the same conditions on which the French had formerly held it. In addition the Company holding the Asiento were given a suitable piece of land on the Rio de la Plata to deposit there the negroes till sold. Specifically the rights were:

i. Leave to import 4800 negroes annually at 100 livres duty per head, on

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—1776.

both in pre-
serving the
economic
dependence
of the
plantations

and the
African
market for
manu-
factures.

importing slaves into the Spanish colonies; and there appears to have been an entire want of any humanitarian feeling on the subject. The New England colonists were quite as callous¹, and carried on the trade without scruple; there was some uneasiness in the southern plantations, for the enormous number of slaves was regarded as constituting a grave political danger. But from the point of view of English merchants, this was a lesser evil than the development of such an industrial population in the plantations as would interfere with the sale of English products. "Were it possible for White Men to answer the end of Negroes in Planting, must we not drain our own Country of Husbandmen, Mechanicks and Manufacturers too? Might not the latter be the Cause of our Colonies interfering with the Manufactures of these Kingdoms, as the Palatines attempted in Pensilvania? In such Case indeed, we might have just Reason to dread the Prosperity of our Colonies; but while we can be well supplied with Negroes, we need be under no such Apprehensions; their Labour will confine the Plantations to Planting only²." Besides this, the African trade took off a considerable amount of English manufactures, and the slaves for America furnished a large part of the returns. Both as regards manufactures and shipping, the

condition that 600,000 livres were paid to the King of Spain, to be repaid to the Company during the last ten years of the Treaty.

ii. During the first twenty-five years the Company might import as many, more than the specified number, as it thought fit.

iii. They could employ English or Spanish vessels as they thought fit.

iv. They were allowed to use vessels of 400 tons to export goods from America to Europe, and one ship of 500 tons for importing goods for Indian trade.

v. The Kings of Spain and England were each to have one-fourth of the profit.

The English put the liberty according to them to great abuse by mooring the one ship permitted to bring imports and constantly refilling her with goods brought by tenders; they got much of the Spanish American trade into their hands. The arrangement expired with the outbreak of war in 1789, but was renewed in 1748 at Aix-la-Chapelle for four years, to make up for the years of which the Company had lost the benefit. There is no mention of the *Assiento* in the Treaty of Paris (1763). Koch and Shoell, *Histoire Abrégée des Traités de Paix*, i. 215, 361.

¹ A contrary view is expressed by Bancroft, iii. 408; but see Weeden, *Economic and Social History of New England*, i. 108, 148; ii. 451, 884. Also Wakefield, *England and America*, ii. 25.

² *The African Trade, the great Pillar and Support of the British Plantation Trade* (1745), pp. 13, 14. Postlethwayt, who is said to have been the writer, assumes that self-sufficiency was a necessary condition without which the plantations could not secure political independence. "Negro labour will keep them in due Subserviency to the Interest of their Mother Country; for while our Plantations

slave trade appeared most beneficial to the mother-country¹, and there are numerous official expressions of the high opinion which Englishmen entertained of its value². A.D. 1689
—1776.

That the negroes were terribly degraded cannot for a moment be doubted; dragged as they were from different African tribes, with no common language, or common customs, they had no traditions or interests of their own. The horrors of the middle passage caused a frightful amount of mortality³ and must have left most serious results, even in the cases of those who survived. The total number of persons, who were thus exported from Africa, has been very variously estimated; but a writer, who was professedly correcting exaggerations and giving what appeared an unusually low estimate, put it at an annual average of twenty thousand from 1680 to 1786. The trade had attained its "highest pitch of prosperity" shortly before the commencement of the American War. Of the hundred and ninety English ships engaged in this trade in 1771, a hundred and seven sailed from Liverpool⁴, fifty-eight from London, twenty-three from Bristol, and four from Lancaster; the total export in a year of great activity was about fifty thousand⁵. The dimensions of the depend only on Planting by *Negroes* " * * * our Colonies can never become independent of these Kingdoms."

¹ There was some anxiety as to the drain on the population of Africa for fear the sources of supplying the slave markets should be exhausted. Hippisley discusses the conditions of Africa and pronounces these fears illusory. *Essays, &c.*, p. 6.

² Bancroft, *op. cit.* III. 414. The only symptoms of humanitarian feeling in England were shown, oddly enough, in diets which tended to confirm the rights of the slave-holder, when popular opinion did not altogether endorse them. There was a general impression in South Carolina that a Christian could not be retained as a slave—that the rite of Baptism at once conferred freedom. This opinion tended to check any efforts for the instruction and conversion of the slaves. Bishop Gibson, of London, was too good a canonist to countenance it for a moment, and the opinions of the Solicitor and Attorney-General, as to the unaltered right of property in Christian slaves, were eagerly welcomed by George Berkeley and those who had the welfare of the blacks at heart (Bancroft, III. 409).

³ Bancroft calculates the average loss of life in this way at 12½ per cent. of those exported from Africa, *op. cit.* III. 405.

⁴ In 1804 Liverpool possessed six-sevenths of the whole trade. Young, *West India Common Place Book*, p. 9.

⁵ Edwards, II. 65. A statement of the trade for several years occurs in *Parl. Hist.* XIX. 802; it appears to place the numbers somewhat lower. A very much higher estimate is given by Raynal, who is said by some authorities to have underrated the numbers. Bancroft (II. 555), however, considers him to have erred on the side of excess; this tends to confirm the estimate given by Edwards.

*The traffic
had
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and was of
doubtful
economic
advantage.

trade, and the importance attached to it, are a sufficient illustration of the manner in which English merchants were ready to push their commerce at the time; but it is worth notice that subsequent events raised a doubt as to whether the trade had after all proved beneficial even on the lowest grounds¹. The labour, which was supplied by English ships to the plantations, enabled the foreign planters, as it was said, to develop more rapidly than they could otherwise have done; it was held that by carrying on this traffic, England had, after all, only succeeded in raising up competitors with whom we found it hard to cope.

The
condition
of slaves in
the West
Indies

was rendered
less un-
favourable

There is, as might be expected, a great conflict of evidence as to the manner of treatment which the slaves received. The most favourable statement, as to the action of the planters, is that the negro race as a whole distinctly improved under the care of their masters², physically, intellectually, and morally. The most serious evil in the condition of the West Indian slaves was imposed by a British Act of Parliament, and in the interest of the British creditors of the planters³. In accordance with this Act, the home of the negro, who had lived for years on an estate, might be suddenly broken up, he himself sold to the continent, and his wife and children scattered. This was a matter of frequent occurrence, and could not be excused as an exceptional outrage, like an occasional case of severe flogging. Those who held that, on the whole, the position of the slaves would not be improved by suddenly giving them freedom and ruining their masters, argued for such an alteration in their legal condition that they should be astricted to the soil, and only sold as part of the estate; and this was effected by a Bill introduced by Mr Edwards in 1797⁴.

by astrict-
ing them to
particular
estates.

The West Indian islands had been highly prized on political grounds in the seventeenth century, as they might

¹ Hochstetter, *Die wirthschaftlichen und politischen Motive für die Abschaffung des britischen Sklavenhandels*, 59.

² Against this must be set the fact of the insurrection of the slaves in Jamaica in 1760 (Macpherson, III. 829). The alleged attempts to incite to insurrection in southern colonies, during the American War of Independence, show that in common opinion the slaves were not at all contented with their condition. Burke, *Parl. Hist.* XIX. 698.

³ 5 Geo. II. c. 7.

⁴ 37 Geo. III. c. 119; Edwards, *op. cit.* II. 184 n.; *Parl. Hist.* XXXIII. 831.

serve as a basis for attacking Spanish America; they were also specially favoured during the eighteenth, since they entered into direct competition with the French sugar colonies, and no effort was spared to outdo these rivals. So much English capital was invested in this trade, or in sugar plantations, that a powerful section of London merchants was always eager to obtain new protective measures. But the result does not reflect much credit on the wisdom of the Navigation Acts. The planters in the West India islands were never able to hold their own against their French antagonists. The effort to confine the sugar trade to England was often complained of as prejudicial, and the attempts to force the northern colonies to trade with English rather than French islands, were fraught with disaster¹.

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—1776.

The Navigation Acts were injurious to the Islands,

By a curious irony the only colony which directly profited from the Navigation Acts was the province of New England, in which English statesmen felt no special interest. The ostensible object of these Acts had been the fostering of English shipping. There is room for doubt whether the legislation did much to secure this result within the realm, but it seems to have had a considerable effect in stimulating shipbuilding and seamanship in the New England plantations². There were many ways in which these colonies suffered from the pressure of the English commercial system, but in this respect they were decided gainers. As Englishmen residing in America, the colonists were able all along to have their share of shipping³ from which both Scotchmen and Irishmen had been excluded; the facilities, along the Atlantic sea-board, for shipbuilding were so great that there was some anxiety lest the business should be transferred from the old country altogether. The state of the trade at the out-ports was most unsatisfactory, in the time of James II.⁴; and in 1724, the Thames shipbuilders

but helped to stimulate shipbuilding

¹ On the Molasses Act, see below, p. 482.

² Weeden, *op. cit.* II. 574—576. A. B. Hart, *Formation of the Union*, p. 46.

³ This is explicitly provided by 13 and 14 C. II. c. 11, § 6.

⁴ 1 J. II. c. 18 (*Stat. Realm*) "Whereas for some yeares past, and more especially since the laying a Duty upon Coals brought into the river of Thames, there hath been observed a more than ordinary Decay in Building Shippes in England, and particularly in Newcastle, Hull, Yarmouth, Ipswich, Alborough, Dunwich, Walderswick, Woodbridge, and Harwich, where many stout shippes were yearly

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—1776.

in New
England.

complained bitterly of the disadvantages under which they carried on their business¹. This was exactly a case where it might have been expected that Government would interfere to prevent the hostile competition of the colonies with an established home industry; but no steps were taken in the matter. American shipbuilding was allowed to develop² under the stimulus it received from the opportunity of employment in English trade. This is all the more surprising as there would obviously have been special difficulty in obtaining the use of colonial ships for the purposes of naval warfare or transport. In 1707 Parliament abandoned any attempt to press colonial seamen for the navy³; the development of shipbuilding in the plantations did but little for the increase of the power of England on the seas, and colonial shipping was sometimes employed in a manner that was detrimental to English commerce⁴.

British
attempts to
cut off
Colonial
inter-
course

The advantage which accrued to the shipping industries in the northern colonies, doubtless did much to allay the resentment that might otherwise have been felt at the provisions of the Navigation Act. The only serious difficulty appears to have arisen in connection with the attempts to bring the plantations into line with the Whig policy of avoiding all commercial intercourse with France.

built for the Coale and other Trade, which were of great use to his Majestie in time of Warr and a Nursery for able Seamen; but by the Discouragement that Trade hath ever since laid under, occasioned chiefly by the freedome which foreigne Shipps and Vessels, bought and brought into this Kingdome, have enjoyed in the Coale and other Inland Trade, equall to that of English built Shipps, the Merchants, Owners, and others, have not bene able to build as formerly, which hath caused many of our English Shippwrights, Calkers, and Seamen, to seeke their Employments abroad, whereby the Building trade is not onely wholly lost in severall of the aforementioned places, and in others very much decayed, but alsoe the Importation of Timber, Plank, Hemp, Pitch, Tarr, Iron, Masts, Canvas, and other Commodities used in building and fitting out Shipps, are greatly lessened, to the apparent prejudice of his Majestyes Customs, the losse of a considerable Employment for Shipping, and consequently of all other Trades depending thereupon, to the too great Advantage of Forreigne Nations."

¹ Ashley, *Surveys*, 318.

² Lord, *Industrial Experiments*, 105; Weeden, *Economic and Social History*, II. 643.

³ 6 Anne, c. 37, § 9.

⁴ Compare the privateering in the Indian Ocean. See above, p. 271. King James II., who was particularly interested in maintaining the East Indian trade, issued a proclamation in 1688 against American privateers. [Brit. Mus. 21. h. 3 (24)].

Many restrictions had been imposed to prevent the consumption of French goods by the inhabitants of Great Britain¹; and to English statesmen it would have seemed intolerable that the colonists should be left free to enrich the common enemy and her dependencies by their trade. Insistence on this policy involved far greater privation on the part of the colonists than was imposed upon Englishmen at home. There were various branches of trade, with the French plantations, which were particularly profitable to the northern colonies, not only as consumers but as producers, and these were also of advantage to the French plantations. Several of the provisions of the English system were devised with the object of interrupting these trading connections, since they were undoubtedly beneficial to the French islands and afforded the American colonists opportunities for procuring commodities which were prohibited in England.

The New England seamen were in a particularly favourable position for prosecuting the cod-fishery. In the early part of the seventeenth century there had been some fear that they would absorb this industry, and render it unprofitable for Englishmen to engage in it at all. It appears that in 1624 some question had been raised as to the rights of British seamen to make voyages for this purpose, or to cut fuel and dry their fish upon the American coast². No definite steps were taken at that time to establish such rights for Englishmen on the Atlantic seaboard generally; they were forced to be content with their opportunities in Newfoundland³. The colonists had excellent facilities for such fishing, as they found profitable⁴, in their own waters, and were chiefly

¹ As drawbacks were granted and large amounts of duty refunded when foreign goods were re-exported, the planters obtained German wines and other foreign manufactures on easier terms than the inhabitants of Great Britain. A. Smith, *Wealth of Nations*, p. 240; Ashley, *Surveys*, 319.

² Compare the draft bill, which appears to have passed the Commons, but to have been dropped in the House of Lords. *Hist. MSS. Com.* iv. Ap. 123.

³ The status of Newfoundland was long left undefined (Reeves, *Law of Shipping and Navigation*, 1792, p. 123), and the rights of the fishing fleets have given rise to constant dispute.

⁴ They were practically excluded from taking fish to the English market by 12 C. II., c. 18, § 5, and found their best market in other European countries or the French West Indies. On other restrictions on fishing, see Hart quoted by Ashley, *Surveys*, 333.

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—1778.

and with
the French
West India
Islands

attracted to Newfoundland by the chance of supplying the mariners who visited the fishing grounds with provisions. Many of the vessels which were engaged in the fisheries were Dutch or French; and the New Englanders had no scruple in violating the trade laws. Wine, brandies, and other European goods were imported directly into the colonies from Newfoundland. In the instructions to Governor Andros (1686-7) this island is described as a magazine of "all sorts of goods brought thither directly from France, Holland, Scotland, Ireland and other places". Intercourse with the French planters in the West Indies was even more tempting than trading with French mariners in the north. The northerners found an excellent market for fish and cereals in these regions. The French islands were able to supply them with rum, or the molasses from which rum was distilled, on easy terms, as the brandy growers of France were protected against the competition of colonial spirits², while the English planters could ship rum to Europe. Under these circumstances an active trade sprang up, which seemed specially objectionable from the fact that the northern colonists traded by preference with the French, rather than the English, West Indian islands. The returns which they received by this trade enabled the colonies to deal with the Indians for furs, which they exported to pay for the manufactures they imported from England. In 1733 this trade was discouraged by heavy duties³; but it seems to have continued in full vigour in disregard of this Molasses Act. During the war of the Austrian Succession⁴ the northern traders added to the irritation, which was felt against them in England, by supplying the French colonists with victuals. If any attempt was to be made to regulate British commerce at all, there was ample reason for treating the trade between the northern colonies and the French islands as prejudicial to the realm.

The rules of the English system, which were intended to render England the staple where all the trade of the dependencies centred and to prevent hostile competition with home industries, did not press nearly so heavily on any of

¹ Beer, p. 186; C. Pedley, *The History of Newfoundland*, p. 101.

² Beer, p. 118.

³ 6 G. II. c. 13.

⁴ Ashley, *Surveys*, 339.

the American colonies, as they did on Ireland¹. Several of the colonial legislatures appear to have given a practical consent to the system in principle, and it did not in all probability cause any serious injury to individuals. England was a convenient market for colonial produce, even though better prices might often have been obtained, if the planters had been free to send their tobacco to any European port; while the large landed resources of America offered attractive openings to those who were debarred from manufacturing². The rules which were imposed, from antagonism to the French, were much more serious, and it was this side of the restrictions on their commerce, which raised a sense of grievance among the colonists. They showed themselves ready, on the whole, to refrain from doing any economic injury to England herself, but they were not content to let their affairs be ruled in accordance with political antagonisms in which they did not feel themselves directly concerned.

223. While so much increased attention was given to discriminating between the commodities in which traffic was carried on, the traditional methods of encouraging maritime power were not neglected, though they were modified on the lines which the eighteenth century specially favoured.

The fishing trades had always been regarded as the great school of seamanship; the effort to promote them by insisting on the observance of fish days had been abandoned, but there were attempts to accomplish the same result, both by the formation of companies which were wealthy enough to undertake the business on a large scale, and by the granting of bounties. The Company of the Royal Fishery of England was never very prosperous; it soon expended its original capital, and the subscribers of a second stock, in 1683, were equally unfortunate³. A similar attempt was made in 1750, the special object being to gain the white herring fishery from the Dutch; the cod-fishing was also to be attempted. It was regarded as a political step of the first importance, and had been undertaken in response to an appeal made in the King's speech in 1749. Frequent payments

¹ See above, p. 376; also below, pp. 525 and 580.

² See below, p. 585.

³ Macpherson, II. 584.

A.D. 1689 and allowances were made to support the operations of the
—1776. Company, but it never answered the expectations of the promoters, and it called out the scathing criticism of Adam Smith.

and for
whaling.

Bounties
were given

Another trade in which the Dutch maintained their supremacy and from which they had ousted the English, in the time of James I., was the Greenland whale fishery. To recover it, a joint-stock Company was formed in 1692¹, which was subsequently permitted to import whale-oil duty-free². In the course of a very few years, however, they ran through their capital of £82,000, and the trade was abandoned, till the South Sea Company endeavoured to re-open it; but they prosecuted it without success. From this time onwards, however, the business was left to the enterprise of private individuals, though Parliament paid large sums with the view of fostering it. In 1733 a bounty of 20s. per ton on vessels engaged in the business was offered, in 1740 it was raised to 30s., and in 1749 it was raised to 40s. This large bounty was successful in stimulating the trade, but though it was continued for many years it did not serve to make it prosper. In 1755 no less than £55,000 was paid for this purpose, but in 1770 the tonnage employed had so far declined that the bounties had fallen to £34,800. Arthur Young, who wrote in 1768, did not notice any signs of decay, and thought the merchants at Hull deserved "much commendation for entering into a business so extremely expensive, hazardous, and so often disadvantageous³." The alleged justification for this continued expenditure, in attracting English capital to a direction in which it did not find profitable employment, was of course political; it was supposed that we could in this way furnish ourselves with whale-oil on easier terms than by buying it from foreign and more successful fishermen, and this had been the underlying motive from the first⁴.

on ship-
building,

A similar expedient was tried with regard to the construction of large vessels. Bounties had occasionally been given on the building of big ships⁵, and this mode of

¹ 4 W. and M. c. 17.

² 7 and 8 W. III. c. 83. For an account of the Iceland trade from Broadstairs, see Pennant, *Journey from London to the Isle of Wight*, i. 112.

³ *Northern Tour*, i. 158.

⁴ Macpherson, ii. 563: iii. 179. 25 C. II. c. 7.

⁵ Vol. i. p. 413.

encouraging the art was systematically pursued, with the view of securing a fleet of "defensible ships" which were capable of carrying guns¹. The resources of the plantations in America seemed to open up a boundless field, from which masts, and spars, and naval stores might be obtained, both for the King's ships and the mercantile marine; persistent, though not very successful, efforts were made to procure such products from the colonies. Attention had been called to this source of supply by various writers, all through the seventeenth century²; and attempts had been made to form companies both in New Hampshire and Pennsylvania, which might meet the requirements of the mother country. In 1696, the newly established Board of Trade and Plantations sent out commissioners to report on the opportunities of the plantations for the growth of hemp, the manufacture of tar, and the supply of masts and spars³; they also encouraged Colonel Hunter, the Governor of New York, in his scheme for getting over the difficulty due to the scarcity of labour by importing a number of Palatines in 1710⁴. In the meantime, however, the interruption of the Baltic trade, and the practical monopoly secured by the Tar Company of Sweden⁵, roused the attention of Parliament, and in 1704 an Act was passed⁶, the preamble of which is an admirable statement of the current opinion on the subject. "Whereas the royal navy, and the navigation of England, wherein, under God, the wealth, safety and strength of this kingdom is so much concerned, depends on the due supply of stores necessary for the same, which being now brought in mostly from foreign parts, in foreign shipping, at exorbitant and arbitrary rates, to the great prejudice and discouragement of the trade and navigation of this kingdom, may be provided in a more certain and beneficial manner from her Majesty's own dominions: and whereas her Majesty's colonies and plantations

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and the
colonists
were
encouraged
to supply
hemp and
naval
stores

¹ 5 and 6 W. and M. c. 24. On the competition between American and English ship-building, see p. 479 above and p. 882 below.

² Lord, *op. cit.* 2.

³ Lord, *op. cit.* 9.

⁴ Lord, *op. cit.* p. 43. On the Palatines, see Cunningham, *Alien Immigrants*, 249.

⁵ Supplies were also obtained from Russia (1721), but the conditions of trade were equally unsatisfactory. *Parl. Hist.* vii. 928.

⁶ 3 and 4 Anne, c. 10. See also 8 Anne, c. 13, § 30; 9 Anne, c. 17; 12 Anne, Stat. 1. c. 9.

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in America were at first settled, and are still maintained and protected, at a great expense of the treasure of this kingdom, with a design to render them as useful as may be to England, and the labour and industry of the people there, profitable to themselves: and in regard the said colonies and plantations, by the vast tracts of land therein, lying near the sea, and upon navigable rivers, may commodiously afford great quantities of all sorts of naval stores, if due encouragement be given for carrying on so great and advantageous an undertaking, which will like wise tend, not only to the further imployment and increase of English shipping and sea men, but also to the enlarging, in a great measure, the trade and vent of the woollen and other manufactures and commodities of this kingdom, and of other her Majesty's dominions, in exchange for such naval stores, which are now purchased from foreign countries with money or bullion: and for enabling her Majesty's subjects, in the said colonies and plantations, to continue to make due and sufficient returns in the course of their trade." It enacted that a bounty of £4 per ton should be given on pitch and tar, of £6 per ton on hemp, and £1 per ton on masts and spars. The measure seems to have been successful in calling forth the manufacture of a considerable quantity of tar; but the scheme for promoting the cultivation of hemp was an entire failure¹; and the attempt to reserve areas of forest², as a constant source for providing spars for the navy, roused much local opposition, while the large profits to be made by shipping lumber to Portugal³ interfered with the export of timber to England. On the whole it may be said that Parliament had singularly little success in controlling this source of supply for public advantage, in the way which Sir Josiah Child⁴ and other writers desired.

Increased
attention
was given

The strength of England, as a maritime power, depended not only on the possession of well-built and well-found ships, but in ability to man them; and many steps were taken during this period to improve the lot of sailors, and

¹ Lord, *op. cit.* 86.

² Lord, *op. cit.* 86, 114.

³ Lord, *op. cit.* 106.

⁴ *New Discourse of Trade*, chap. 10. Compare also Davenant on the danger of creating a rival maritime power in the colonies. *Works*, II. 9.

especially to induce them to serve in the Royal Navy. ^{A.D. 1689}
 A register was opened for the purpose of inscribing the ^{—1776.}
 names of 30,000 sailors of different classes; they were to receive a retaining fee of £2 per annum on the understanding that they should always be ready for public service when called upon¹. They became entitled to larger shares of prize-money than unregistered men, and to have better chances of promotion to the rank of warrant officers. They, as well as their widows and children, were to have the right to be provided for in Greenwich Hospital, an institution which was to be supported by a sort of compulsory insurance; 6d. per month was to be deducted from the wages of all seamen, whether in the mercantile or royal navy, for its maintenance². Considerable changes were made under Queen Anne, when the registration of seamen ceased³; but there was a succession of statutes for enforcing their payments to the support of the hospital⁴. The residue of the money accruing from the confiscation of the Earl of Derwentwater's estates, was used for completing the building⁵. The distant prospect of a pension, or a home, must have been a poor compensation for the inconveniences to which seamen in the navy were forced to submit. An attempt was made to remedy their grievances, in 1758, by an Act for "establishing a regular method for the punctual, frequent and certain payment of their wages; and for enabling them more easily and readily to remit the same for the support of their wives and families; and for preventing frauds and abuses attending such payments." But despite these measures, the Government was frequently in difficulty about manning the navy, and had recourse to the high-handed practice of impressing men⁷ to serve.

to improving the prospects of seamen in the Navy

¹ On the difficulty of procuring seamen, compare *Parl. Hist.* vi. 518. Also on the consequent interference with commerce in 1740 and 1760, *Parl. Hist.* xl. 579 note, xiv. 588.

² 7 and 8 W. III. c. 21; 8 and 9 W. III. c. 28; cf. 31 Geo. II. c. 10.

³ 9 Anne, c. 21, § 64.

⁴ 10 Anne, c. 17; 2 Geo. II. c. 7; 18 Geo. II. c. 31.

⁵ 8 Geo. II. c. 29. On abuses in connection with Derwentwater property see Pennant, *Journey from London to the Isle of Wight*, i. 18. For Greenwich Hospital, see *Parl. Hist.* xix. 991, 992, and the long account in xx. 475.

⁶ 31 Geo. II. c. 10.

⁷ The impressing of fishermen, &c. to serve as mariners only, was permitted by 5 Eliz. c. 5, § 41. Charles I. obtained parliamentary powers in 1640 to impress carpenters, surgeons etc., for his fleet against the Algiers pirates (16 Charles I.

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and
Merchant
Service,

and to
the faci-
lities for
protecting
ships on our
coasts, by
erecting
light-
houses

Such were the provisions for those who served in the Royal Navy, and men in the Merchant Service were not forgotten. Attempts were made to give definiteness to the contracts of Masters and Seamen¹, and a corporation was erected for the relief of disabled seamen and of the widows and orphans of seamen in the Merchant Service². During the time of Queen Anne special arrangements were made for apprenticing pauper boys to a seafaring life³, and great facilities were given for the naturalisation of foreign seamen who had served for two years on English ships⁴.

Public attention was also directed to the dangerous nature of our coasts, and the authorities of Trinity House took in hand the erection of a light-house on the Eddystone. A London merchant, named Winstanley, first proved the possibility of the attempt; by unremitting labour he had succeeded in erecting the wooden light-house in which he eventually perished. The expense, however, of replacing this building far exceeded the ordinary resources of the brethren of Trinity House, and they were empowered to levy 1*d.* per ton on all shipping in order to carry out this work in 1696. Their light-house was destroyed by a storm in 1703, and resort was had to a similar expedient for its re-erection⁵. In some cases the work of erecting light-houses was undertaken by local bodies, or even by private persons, who were empowered to receive tolls to maintain the light. The first light on the Skerries, near Holyhead, was put up by Mr William Trench⁶; that on the Spurn, at the mouth of the Humber, was reconstructed by one of the neighbouring proprietors⁷, though subsequently the matter was taken over by Trinity House⁸. Lights were also erected, and landmarks and buoys placed, so as to facilitate navigation to Chester⁹; there were some signs of improvement in the construction of lights, especially in a house erected near Ipswich in 1778¹⁰.

A good deal of care was bestowed on the improvement of harbours. Some had been destroyed by the carelessness

c. 26). On complaints of the system in London in 1777, see *Parl. Hist.* xix. 1159, and xx. 966.

¹ 2 Geo. II. c. 36.

² 20 Geo. II. c. 38.

³ 2 and 3 Anne, c. 6.

⁴ 18 Geo. II. c. 8.

⁵ Macpherson, ii. 682; 4 Anne, c. 20; 8 Anne, c. 17.

⁶ *Ib.* iii. 157; 3 Geo. II. c. 36.

⁷ 6 Geo. III. c. 31.

⁸ 12 Geo. III. c. 29.

⁹ 16 Geo. III. c. 61.

¹⁰ Macpherson, iii. 624.

of sailors, who threw out their ballast on the shore below high-water mark, with the result that the harbours got silted up; this practice was prohibited by a statute passed in 1746¹. There was an immense number of Acts for carrying out repairs at Dover², Bridlington³, Ramsgate⁴, Milford Haven⁵, Whitehaven⁶, S. Ives⁷, Wells (Norfolk)⁸, Great Yarmouth⁹, Glasgow and Port Glasgow¹⁰, Ayr¹¹, Hull¹², Boston¹³, Bristol¹⁴, and for improving the Clyde¹⁵. It was also found that the charts of the west and north-west coast of Britain and Ireland were very imperfect; and a statute was passed, in 1741, for surveying them more completely¹⁶, while attention was also given to navigation on the high seas. Rewards were frequently offered for finding a method for discovering longitude at sea¹⁷; at last £5000 was paid to John Harrison¹⁸ for his discovery.

224. It is perhaps not unnatural to turn from these attempts to preserve ships, to give a brief account of the facilities which were now devised for reimbursing those who incurred losses by sea. Loans on bottomry¹⁹ had served the purpose of marine insurance during the Middle Ages; in the fifteenth century the practice of premium insurance became common²⁰, and there appear to have been a considerable number of people engaged in this occupation in

¹ 19 Geo. II. c. 23. This had long been a cause of dispute in regard to the coal trade. The colliers had little return cargo to fetch back from London to Newcastle and so carried much ballast, which they had difficulty in discharging without doing mischief. *Conservatorship of the River of Tyne*, in Richardson, *Reprints*, III. pp. 15—21.

² 81 Geo. II. c. 8.

³ 8 and 9 W. III. c. 29.

⁴ 22 Geo. II. c. 40; Pennant, *Journey*, I. 114.

⁵ 81 Geo. II. c. 88.

⁶ 2 Geo. III. c. 87.

⁷ 7 Geo. III. c. 52.

⁸ 9 Geo. III. c. 8.

⁹ 12 Geo. III. c. 14.

¹⁰ 12 Geo. III. c. 16.

¹¹ 12 Geo. III. c. 23.

¹² 14 Geo. III. c. 56.

¹³ 16 Geo. III. c. 28.

¹⁴ 16 Geo. III. c. 38.

¹⁵ 10 Geo. III. c. 104.

¹⁶ 14 Geo. II. c. 39.

¹⁷ 12 Anne, st. II. c. 15; 26 Geo. II. c. 25; 2 Geo. III. c. 18.

¹⁸ 8 Geo. III. c. 14.

¹⁹ See above, p. 146.

²⁰ Mr Hendriks (*Contributions to the History of Insurance*, 16) shows that premium insurance was in use at Pisa about 1400 and at Barcelona before 1435. The rate from London to Pisa was 12% or 15% "according to the risks apprehended either from pirates or other sources." Foreigners could not take advantage of these facilities for insurance in Pisa; an attempt was made to impose a similar restriction in England in the 18th century. *Parl. Hist.* XII. 18; Morris, *Essay towards deciding the question Whether Britain be permitted * * * to insure the Ships of her enemies?* (1758). See also *War in Disguise*, 84. On the Spanish practice, see J. de Veitia Linage, *Spanish Rule of Trade* (1702), 819.

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*had been
organised
under
Elizabeth*

London in 1574, when a patent was issued for giving a certain Richard Candler the sole right to register policies and instruments of insurance¹. Subsequently a mixed commission of merchants and lawyers was established to deal with cases arising out of this business². But their jurisdiction gave little satisfaction, and the commission was modified soon after the Restoration³. Fire insurance was developing⁴ and tentative experiments were being made in life insurance⁵ in the latter part of the seventeenth century.

¹ Stow, *Survey*, vol. ii. bk. v. 242. For a curious dispute in 1572, see Hall, *Society in the Elizabethan Age*, 57. Compare also the patent for an office for the assurance of merchandise granted in 1634. *Hist. MSS. Comm.* i. 24 (b).

² 43 Eliz. c. 12.

³ 14 C. II. c. 23.

⁴ The successive steps that were taken are detailed by a contemporary: "I find this design was first set on foot immediately after His Majesty's Restoration by several persons of quality, and eminent citizens of London, and Proposals about it then printed by them. But tho the Project and Authors of it were then recommended to the Common Council of London by his Majesty's letters, yet it was not admitted by them, for the very same reason for which those Gentlemen now are not to be countenanced in it; viz. because they thought it impossible for Private Persons to manage, and unreasonable that they and not the City should reap the Profits of such an undertaking. Hereupon this Design, like some Rivers that sink into the Ground, and break not out again, but at a considerable distance, was no more heard of till the year 1670, when it was afresh propounded to the city by Mr De Laun, the not prosecuted by them. However in the Mayoralty of Sir W. Hooker it was briakly revived by Mr Newbold the Merchant, who proposed the carrying it on by a Joint Stock to be raised among the Inhabitants and Proprietors of the Houses to be insured. This he communicated to the Lord Mayor, and divers other eminent Citizens. From some of these like an Eves-dropper, this Observator caught it; it being then generally discussed and approved of and resolved to be put in practice. * * Mr Newbold therefore waiting for a more favourable conjunction found it not till the Majoralty of Sir Robert Clayton to whom on New Year's Day Anno 7th he presented the Model of it, and sometime after printed it under the title '*London's Improvement and the Builder's Security*.' [Brit. Mus. 816. m. 10 (64).] Sir Robert Clayton approved of the matter, only advised that instead of a joint stock it should be managed by the Chamber of London." *A second letter to Mr M. T.* by L. R., Brit. Mus. 816. m. 10 (80). Within a short time three fire insurances were started; one was managed by a committee of the Common Council, and was opened in December 1681; "but this would not take." The Fire Office at the Back side of the Royal Exchange began business a month earlier, and three years later a Friendly Society was started for doing similar business but on a different principle. The respective advantages of these various offices, the rates they charged [Brit. Mus. 816. m. 10 (71 and 78)], and the security they offered, were the object of a good deal of discussion, in which the respective advantages of municipal action and of private enterprise were freely canvassed. See *A letter to a Gentleman in the country* by N. B. attributed by Dr Bauer to Barbon. He preferred the Fire Office to the Friendly Society and called forth a defence of the latter from H. S. [Brit. Mus. 816. m. 10 (74, 75)].

⁵ During the Mayoralty of Sir William Hooker there were tentative efforts at organising Life Insurance. A certain Mr Wagstaffe laid his scheme before the

We hear very little of such activity in marine insurance till the time of George I.¹, when more than one attempt was made to form a Company to carry on the business with a joint stock. In 1720 two schemes, which were pushed in concert but under the guise of competition, succeeded in procuring sanction from Parliament², and the London Assurance Corporation and Royal

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and was
developed
by the
establishment of

City authorities, who thought so highly of the project that they appointed a select committee to carry it into effect. Subscribers of £20 each, or of multiples of £20, were to be associated according to their ages; each subscriber was to have an annuity at the rate of 6 per cent., and as some of the subscribers died off, the survivors would obtain proportionally increased annuities. "This extraordinary gain being not only lawful but very advantageous, there can be no other way proposed whereby, in laying out so small a sum as Twenty pounds there can be produced so great an Encrease, as by Survivorship will most certainly accrue to many persons and especially to the Longest Liver of this Rank." *Proposals for Subscriptions of Money*, 1674, p. 2 [Brit. Mus. 518. h. 1 (15)]. Despite the tempting prospect, however, this scheme seems to have shared the fate of the City Fire Insurance project and came to nothing.

The reasons for preferring public management would probably be clearer if we knew more of the history of the private adventure offices that seem to have sprung up at this time. But the following extract from a petition regarding Dorothy Petty is at least instructive. It was said "that the said Dorothy (who is the Daughter of a Divine of the Church of England now Deceased) did set up an Insurance Office on Births, Marriages and Services, in order thereby to serve the Public and get an honest Livelyhood for herself. The said Dorothy had such Success in her Undertaking that more Claims were paid, and more Stamps used for Certificates and Policies in her Office than in all other the like Offices in London besides; which good Fortune was chiefly owing to the Fairness and Justice of her Proceedings in the said Business. For all the Money paid into the Office was entered in one Book, and all the Money paid out upon Claims, was set down in another Book, and all People had Liberty to peruse both, so that there could not possibly be the least Fraud in the management thereof." *The Case of Dorothy Petty in relation to the Union Society at the White Lion by Temple Bar whereof she is Director*. [Brit. Mus. 816. m. 10 (82).] The profits of such private offices appear to have been very considerable, if we may trust the estimate of Charles Povey, who complained that owing to a 'cross incident' he was obliged to sell his undertaking of the Sun Fire Office on very low terms. Had he remained in possession it would have brought him in £600 or £800 per annum. *English Inquisition* (1718), p. 87. This was in 1709, and early in the following year the business was organised by a company which has continued to flourish ever since. *Proposals set forth by the Company of London Insurers* (from the Sun Fire Office, April 10, 1710). [Brit. Mus. 816. m. 10 (88).]

¹ Insurance business of different sorts was a favourite field for Company promoters at this time. At the Crown Tavern, Smithfield, a subscription book was opened for establishing "an Insurance Office for Horses dying natural deaths, stolen, or disabled"; at the Fountain Tavern there was started "a co-partnership for insuring and increasing Children's fortunes"; at another place in the City subscribers came to put their names and money down for "Plummer and Petty's Insurance from Death by drinking Geneva." * * * Then there were started offices for "Assurance from lying"; for "Insurance from house-breakers"; for "Rum Insurance"; for "Insurance from highwaymen" and numerous others. Martin, *History of Lloyd's*, 89.

² *Parl. Hist.* vii. 640.

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*the London
Assurance
and Royal
Exchange
Assurance,*

Exchange Assurance Corporation were created. These Companies are still large and flourishing institutions; in their earlier days they had considerable difficulties, especially through the loss of a fleet of Jamaica ships; the London Assurance was deeply involved, and its shares fell within a month from 160 to 60 and thence to 12¹. The two undertakings had agreed to pay £300,000 into the Exchequer², but subsequently, in 1721, half of the sum was remitted. The Act which the Companies obtained³ gave them the exclusive right of carrying on this business on a joint stock, but did not interfere with the business of private individuals who were engaged in underwriting.

*as well as
by the con-
centration
at Lloyd's
Coffee
House of
under-
writers,*

In the early part of the eighteenth century the practice had come into fashion of resorting to coffee-houses for all sorts of intercourse, whether social, political or commercial. Persons engaged in shipping appear to have used a coffee-house kept by Mr Edward Lloyd, who was a very energetic man, and published a newspaper chiefly devoted to foreign and commercial news in 1696⁴. This did not last very long, however; but it was succeeded in 1726 by *Lloyd's List*⁵, which contained ship-news, together with the current rates of exchange, the prices of shares, and so forth. The coffee-house, though convenient, was the resort of some doubtful characters; and it was determined by the respectable brokers and underwriters, who frequented Lloyd's, to establish a new resort for themselves. They secured the property in *Lloyd's List*; and after various attempts to get satisfactory premises had failed, they obtained quarters in the Royal Exchange in 1774⁶. The new Lloyd's Coffee-house, which was there established, contained a public room and also a subscribers' room, and the committee enforced various regulations in

¹ M. Postlethwayt, *Universal Dictionary of Trade*, article on *Actions*, p. 15 (a).

² Martin, *Lloyd's*, 99.

³ 6 Geo. I. c. 18.

⁴ Martin, *Lloyd's*, 74. The following announcement which first appeared in No. 61 shows the nature of the publication and the aims of the proprietor:—"All Gentlemen, Merchants, or others, who are desirous to have this News in a whole Sheet of Paper (two leaves instead of one leaf), for to write their own private Concerns in, or other Intelligence for the Countrey, may be supplied with them, done upon very good Paper, for a Penny a Sheet, at Lloyd's Coffee-House in Lombard Street."

⁵ Martin, *Lloyd's*, 107.

⁶ *Ib.* 120, 145.

regard to the business which was done by the members. A.D. 1689
 In 1779, they drew up a general form of policy which is —1776.
 still adhered to, and which has been taken as the model
 for marine insurance business all over the world¹. It is
 curious to notice that they regarded the business of life-
 insurance² with much suspicion, as it seemed to be merely
 speculative³ and lent itself to all sorts of nefarious practices.
 At a meeting of the subscribers, in March 1774, a resolution
 was passed of which the preamble states that "shameful
 Practices have been introduced of late years into the business
 of Underwriting, such as making Speculative Insurances on ^{who}
 the Lives of Persons and of Government securities." It ^{refused to}
 continues that "in the first instance it is endangering the ^{engage in}
 Lives of the Persons so Insured, from the idea of being ^{Life In-}
 selected by Society for that inhuman purpose, which is ^{surances.}
 being virtually an accessory in a species of slow murder."
 The subscribers were therefore to refuse to undertake such
 business and to show "a proper resentment" against any
 broker who attempted to introduce it⁴.

It thus came about that the underwriters, who had been
 left outside when the two great Companies were formed in
 1720, had practically formed themselves into a body re-
 sembling a regulated Company. The forms under which
 business was done were now definitely established; but the
 immense increase in the risks of loss which British shipping
 ran, during the great wars⁵, rendered it necessary for all

¹ Martin, *Lloyd's*, 157.

² Martin, 117, quoting *London Chronicle* for 1768, also pamphlet entitled *Every Man His Own Broker*. See also the Act regulating Life Insurance, 14 Geo. III. c. 48.

³ The valuation of Life Annuities had been already put on a scientific basis by De Witt (whose treatise has been reprinted by Mr Hendriks in his excellent monograph, *Contributions to the History of Insurance*, 40), and also by Halley, *Phil. Trans.* xvii. 596, but they attracted little attention among practical men. Many actuarial questions are also discussed by Weyman Lee, *An Essay to ascertain the value of leases and annuities for years and lives, and to estimate the chances of the duration of lives* (1738). The Society for Equitable Assurances was the first Company founded on a scientific basis; this was established in 1763, but the promoters failed to procure a charter. E. J. Farren, *Historical Essay on the Rise and Early Progress of the doctrine of Life Contingencies* (1844), p. 94. The Amicable Society, which was incorporated in 1706, was originally a sort of Tontine. *Ib.* p. 85.

⁴ Martin, *Lloyd's*, 157.

⁵ Compare Debates on Miscarriages of the Navy (1708), *Parl. Hist.* vi. 618;

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ship-owners to protect themselves by insuring, and caused a very rapid expansion of the underwriters' business.

XV. CHANGES IN THE ORGANISATION AND DISTRIBUTION OF INDUSTRY.

✓ The fostering of industry was the prime object of economic policy during the period of Whig Ascendancy,

225. The promotion of industry of every kind had become the primary object which Parliament pursued in its efforts to build up the wealth and power of England. Sir Robert Walpole had aimed at recasting the tariff so that the materials for our manufactures might be cheap; and the rules for commercial intercourse, which were embodied in treaties, or laid down under the Navigation Acts, were intended to secure a large sale for our goods. During the period of Whig Ascendancy attention was concentrated on this aspect of economic life, and no effort was spared to make England the workshop of the extensive spheres where her influence and her friendship availed to keep the markets open to our manufactures.

and this aim is very defensible.

For this line of conduct there was much to be said. Labour is, to a very large extent, the active element in the increase of wealth¹; and the more it is brought into play, the more the other sides of economic life will prosper. Industrial development furnished commodities with which to carry on trade, and thus gave employment to shipping and seamen; it provided the means of procuring such foreign products as were most required; it gave occupation to a large population, and thus brought about a demand for food, and encouraged agriculture². There seemed therefore to be good grounds for attempting to foster the growth of industrial activity, not merely through the natural influence of expanding commerce, but by the artificial stimulus of bounties as well.

Merchants' Petition (1742), *ib.* xii. 446, 758; Commercial Losses (Feb. 6, 1778), *ib.* xix. 709, also xx. 1144. Also on the alarm caused by Paul Jones and pirates on our coasts, *ib.* xxi. 486; Difficulties with Holland, *ib.* 968.

¹ Petty, *Treatise*, 49. See above, p. 383.

² Compare Sir J. Steuart, *Inquiry into the Principles of Political Economy*, in *Works*, i. 85, 45, 158. See p. 704 n. 1, below.

There were, however, considerable obstacles to the in-^{A.D. 1689}definite expansion of industry; the limit, beyond which it^{—1776.} was difficult to carry the development of any trade¹, was set by the supply of materials. The English clothiers were largely engaged in working up English wool; it was because of the abundance and excellent quality of this product that weavers had migrated to this country in such large numbers. But the wool-supply could not be largely increased at will, especially during a period when arable cultivation was coming more generally into vogue. Similarly the ship-builders and the tanners made use of English-grown materials, while the ironworkers were dependent on the amount of wood available for fuel. It seemed as if each of the staple trades of the country had almost reached its natural limit during the early eighteenth century. Efforts were indeed made to supplement the home production by the import of Spanish² and Irish³ wool, and similar expedients were adopted in other trades; but the landed interest was inclined to take exception to such measures. Hence comparatively little progress resulted from all the care that was lavished on the staple trades.

As the materials for established trades were limited,

There was, however, considerable scope for planting and developing exotic trades, which consisted in working up imported materials; and circumstances favoured the movement in this direction. The incursion of the Huguenots had, indeed, been most beneficial, by giving the country the advantage of new methods and superior skill in making use of its own materials; the immigrants were still more welcome as adepts in trades which had not hitherto been practised in Britain with much success. Of the manufactures to which they

it seemed desirable to plant exotic trades

in which the Huguenots were skilled,

¹ Protection, which maintains a trade after this limit has been reached, is much less defensible than protection which aims at rendering the utilisation of native resources as complete as possible. The differences come out in connection with the protection afforded by the Corn Laws before and after the period 1778—1791; see below, p. 730.

² *A treatise of Wool and the Manufacture of it*, Brit. Mus. 712. g. 16 (31), 1685, p. 9; also *England's Interest by Trade asserted* [Brit. Mus. 1102. h. 1 (8)], p. 22. James, *History of the Worsted Manufacture*, p. 306.

³ *The Grasier's Complaint*, p. 23 (1726), Brit. Mus. 712. g. 16 (37). Defoe, *Plan of the English Commerce* (p. 156), estimates that 100,000 Packs of Wool were imported yearly from Ireland, besides Scotch wool which was said to be worth £60,000 at the time of the Union.

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such as
silk.

devoted themselves, the linen industry was one for which the materials could be provided in Ireland and Scotland, and it came to be completely naturalised; but raw silk and cotton wool were, and continued to be, foreign products. The very existence of such textile manufactures is dependent on the maintenance of intercourse with distant lands. The rapid increase of English commerce gave enlarged opportunities of procuring materials, so that there was room for steady, and eventually for rapid development.

The dependence of industry on trade, for sale and for material,

The fact that English industry was becoming dependent for its markets, and to some extent for its materials, on distant countries, involved the intervention of capitalists in an increasing degree. The capitalist merchant was called upon to serve as an intermediary between the English weaver and the purchaser in foreign parts, and to procure the materials which were necessary for the prosecution of certain trades. The judgment of the employer was required to maintain the honesty of the materials and workmanship, and to decide on the fashion and quality of goods which it was best worth while to produce. In the old days of gild regulation, or of the activity of aulnagers and searchers, and under the system of well-ordered trade, there had been little room for the personal skill and judgment of an employer. But in the eighteenth century, there was full scope for the exercise of these business qualities, and industry could not flourish or expand unless they were brought into play.

gave an impulse to the intervention of employers.

The opening of distant markets for English manufactures did not always bring about an increased production¹, but it necessarily affected the character of the industrial system. There was greater scope for supervision by masters, and employment in the textile trades was apt to pass from small independent manufacturers to wage-earners. The eighteenth century commercial system led, not so much to the expansion of industry, as to the development of the class of capitalist employers, whom Adam Smith criticised and the Manchester School admired. This sort of modification in the economic relationships of those who are co-operating in the work of producing some article for the market, may proceed very

¹ The limitation of the supply of materials rendered this impossible.

gradually and almost imperceptibly. The change from one type of organisation to another does not necessarily involve any revolution that is apparent to the eye. The wage-earner, who is employed by a capitalist, may pursue his occupation in the same sort of cottage and with the same implements as those that are used by independent workmen. The distinguishing feature of the capitalist, as contrasted with the domestic, system lies in the fact, that under the former scheme, employers or undertakers own the materials¹ and pay the wages, whereas in the domestic system² the workman is his own master; he owns the materials on which he works and sells the product of his labour. But there need be no external mark that calls attention to an alteration in the economic status of the craftsman; indeed the same weaver might work for some weeks for an employer and at other times on his own account³. On this account it is exceedingly difficult to follow out the course of the change. We can occasionally get definite and precise information on the point, but on the whole we are only able to infer the progress of capitalism from incidental occurrences. The nature of the difficulties and disputes, which arise in a trade, may serve to show whether the labourers were wage-earners or not; and the character of the associations⁴ which existed among them, may often give us a suggestion as to the condition of the workmen at some date⁵. It is, for the most

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The reconstruction of industry on capitalist lines may be effected gradually and quietly,

but traces of the change are found in the nature of trade associations and trade disputes.

¹ The employers sometimes owned the looms, as well, 2 and 8 P. and M. c. 11.

² This term is used in the sense in which it was current in Yorkshire at the beginning of the nineteenth century (*Reports*, 1806, III. 1058, printed pag. 444). Mr Unwin (*Industrial Organisation*, p. 4), defines the terms quite differently, and opposes the gild to the domestic system, as separate and successive phases of development, but this does not seem to me to apply in English history. I prefer to say that the domestic system existed from the earliest times till it was superseded by capitalism; the craft guilds were a form of industrial organisation which was appropriate to the domestic, rather than to the capitalist system; and that these guilds were convenient instruments for enforcing civic, as contrasted with national policy.

³ The analogy with the agricultural change is noticeable; the yeoman farmer might often be employed as a labourer to work for a neighbour in return for wages.

⁴ The true craft gild was appropriate to the domestic system, but some of the mediaeval London companies were capitalist in character and so were the seventeenth century companies, generally speaking. Trade Unions, as associations of wage-earners, testify by their existence to the severance of classes; the inference to be drawn from the formation of yeoman guilds is doubtful. See vol. I. p. 443.

⁵ Even in a great trade centre like London, the cloth-workers continued to be an association of domestic workers in the first half of the seventeenth century.

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*In the
clothing
trade the
capitalist
and
domestic
systems
existed
side by side*

part, by examining evidence of this kind that we can hope to trace in any way the gradual progress of capitalism in superseding the domestic system throughout the country.

There are some trades which had in all probability been organised on a capitalist basis from the first. It is likely enough that John Kemp and other Flemish immigrants of his time were large employers¹, and there is no reason to suppose that all English trades were originally domestic, and were recast by degrees on the other model. It is apparent that the capitalist and domestic system existed side by side in the staple trade of the country for centuries². It seems not improbable that circumstances, during the seventeenth century, favoured the domestic system, and that it developed at the expense of the other; but as the capitalist was better able than the domestic worker to take advantage of the expanding commerce of the eighteenth century, and of the mechanical appliances of the nineteenth, he has won the day.

*and each
had ad-
vantages of
its own,*

The contest between these two systems would hardly have continued so long, unless each had had its own advantages. Under the domestic system, the merchant formed the intermediary between the independent weaver and the London market to which the product of his loom was carried. There was much to be said for this arrangement; the weaver could not but prefer to be his own master, rather than to work under supervision, and at the times his employer desired. Public authorities also looked on the domestic system with favour; it had many social advantages, as there was less danger of the weavers being reduced to destitution

S. P. D. C. I. COLVII. 6. *Ordinances of Clothworkers, 1689* (Brit. Mus. 8248. e. 26), p. 127, also *Letter on Lawes and Orders* (Brit. Mus. 1103. f. 33), p. 14. See p. 511 below.

¹ Vol. i. 306. P. Methwin who introduced fine weaving in Bradford (Wilts.) in the seventeenth century was also a wealthy man: W. H. Jones in *Wills. Arch. Magazine*, v. 48. The weaving trade when introduced into Florence in the thirteenth century had a capitalist character. Doren, *Studien aus der Florentiner Wirtschaftsgeschichte* (1901), pp. 22, 23.

² There is a parallel in the contest between farming on a large and on a small scale in the present day. On the whole the small holding has passed away, but there have been circumstances recently, which have favoured the breaking up of large farms in some districts, especially where land is required for a by-occupation, and as subsidiary to some other employment. Small farms may continue to exist side by side with large ones; and a certain amount of re-arrangement is likely to occur according to changing conditions.

and incited to riot, by being dismissed in periods of bad trade; while the merchant was better able than the capitalist employer, to reject inferior cloth, and to prevent it from coming into the market at all¹. On the other hand, the capitalist employer not only supervised the industry, but established his own trading connections. He was better placed for completing a large order by a given date, as the workmen were more entirely under his control, and he was able to organise the industry on the best lines and to introduce a suitable division of labour. The domestic weaver would have to sell his cloth to a fuller, or cloth-worker², practically in his own neighbourhood, before it was a marketable article: he did not come in direct contact with the consumer, either at home or abroad. The large clothier had much better opportunities of disposing of his goods, either in a half-manufactured, or finished state. Not only so—the domestic weaver would be inclined to go on producing the same make of cloth he had always furnished, but the great undertaker could attempt to gauge the probable demand for different classes of goods, and manufacture with a view to a changing demand. The domestic system may have been better adapted for the maintenance of a recognised standard, though this seems doubtful, but the capitalist was certainly in a better position for introducing improvements and making progress³. From the point of view of developing trade, capital was at a decided advantage, but the domestic system managed to maintain its ground, till the introduction of expensive

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but the capitalist was in the best position for supervising workmen,

gauging the market,

and introducing machinery.

¹ Compare the remedy for abuses in the Somerset trade, 2 and 8 P. and M. c. 12. A bad piece would be left on the hands of the independent workman and used locally; but if a capitalist manufacturer owned the inferior goods, he would be likely to try to pass them off somehow.

² The complete independence of each link of the industry as it existed in Devonshire in 1630 is very remarkable. "First the gentleman farmer, or husbandman, sends his wool to the market, which is bought either by the comber or the spinster, and they, the next week, bring it thither again in yarn, which the weaver buys; and the market following brings that thither again in cloth, where it is sold either to the clothier (who sends it to London), or to the merchant who (after it has passed the fuller's mill and sometimes the dyer's vat), transports it." Westcote, *View of Devonshire*, p. 61.

³ Duchesne, *L'Évolution économique et sociale de l'Industrie de la Laine*, 60. According to Mr Graham's evidence, *Reports* 1806, iii. 1058 (printed pagination 444), the neighbourhood of capitalist factories tended to the introduction of improvements on the part of domestic manufacturers.

✓ A.D. 1689
—1776. machinery, which involved the use of water or steam power, when the triumph of capitalism became complete.

The changes which occurred in the local distribution of industry

226. While this revolution was proceeding gradually and silently, other important changes were occurring in connection with the industrial life of the country, and the signs of them were patent to the most casual observer. A very noticeable alteration was taking place in the local distribution of industry. The Eastern Counties, which had been so important in the later middle ages, lost ground, while the West Riding of Yorkshire was steadily developing. The iron-works of Sussex died out altogether, while Shropshire and Linlithgowshire made startling advances. It must suffice to indicate the general trend of the migration, and to point out that there is a considerable mass of material available, for those who are interested in the question, as to the progress or decay of particular industries in particular areas. Harrison and Leland have described England, as it was in the latter part of Elizabeth's reign; in the charming essays, which Fuller prefaced to his record of the *Worthies* of the various counties of England, we find many details as to the resources and industries of each in turn. Defoe's *Tour*, with the additions by Richardson, goes over much of the same ground at later dates¹; and the writings of Arthur Young, and of other contemporary tourists, carry the information to another era. Again and again, in perusing these books, we find evidence of obvious decadence in some parts of the country, and of marked progress in others.

can sometimes be explained on physical grounds

In many cases these alterations in the distribution of industry can be accounted for by physical reasons. The exhaustion of the fuel in Sussex rendered it impossible to continue the furnaces there; and the trade naturally shifted to districts where coal and iron were found in conjunction, so soon as the means for utilising mineral fuel became available. In other cases, an industry was attracted to a district where advantage could be taken of water power², and facilities for

¹ Defoe, in 1724, speaks of Bocking and Braintree as flourishing, but Richardson in the 1748 edition of Defoe's *Tour* (i. 118) gives a very different account. The variations in the prosperity of local industries is curious; in 1724 the Guildford trade had revived (*Tour*, 1724, i. 87), but that at Cranbrook in Kent was extinct.

² The Eastern Counties were at a disadvantage in this respect; the West of England was much better provided with fulling mills.

procuring certain qualities of wool, or of clay, would determine the special character of the weaving or the pottery in particular districts. A.D. 1639
—1776.

There were, however, other circumstances, which have little to do with mere physical characteristics, that must be taken into account. The interruption of trading connections, which might be occasioned by a war, would be a very serious blow to an old established industry, and the inhabitants might have difficulty in adapting themselves, and their trade-institutions, to new conditions. On the other hand, as we have already seen in the case of London¹, the centres of increasing commerce² tended to become areas of enlarged industry. and some-
times by
conven-
ience for
trade.

These changes had a necessary bearing on the contest between the large employers and the domestic weavers. It is not easy to balance the relative advantages of the two systems. The concentration of many workmen in a small district gave a convenient opportunity for the introduction of capitalist organisation; while on the other hand, the domestic system appears to have been an important agent in the diffusion of industry over wide areas. It is hardly straining the evidence to regard the migration of craftsmen from the towns to the suburbs and to country villages, in the fifteenth and sixteenth centuries, as due to a desire on the part of the workmen to remain independent, and escape from the supervision of employers and the regulations passed by oligarchical associations of capitalists. The development of the cloth trade in Yorkshire in the early seventeenth century³, while complaints were so rife as to the quality of the wares and the conditions of employment in the capitalist districts⁴, may be interpreted as an indication that the same motives continued to operate. The migration of weavers from the West of England to Ireland after the Revolution was not The con-
centration
of trade
was
favourable
to capi-
talist or-
ganisation;

¹ See above, p. 812. On migration by weavers to London, see the *Weavers' Pretences Examined* (1719) [Brit. Mus. 1029. e. 17 (3)].

² From its excellent water communication Norwich appears to have continued to flourish as a weaving centre in 1778. Defoe, *Tour*, I. p. 49. He says that "120,000 people were busied in the woollen and silk manufacture of that city."

³ Compare the petition in 1640 against the weekly cloth market recently erected at Wakefield, and that only the fifteen charter fairs should be continued which had hitherto sufficed for the trade. *Hist. MSS. Comm.* iv. 36.

⁴ See above, pp. 204 n., 297.

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Yorkshire
proprietors
found it
profitable
to en-
courage
domestic
weavers,

improbably undertaken with the same prospect of retaining individual independence¹. In the eighteenth century there were Yorkshire proprietors who found it was distinctly to their advantage to encourage the development of the weaving trade in its domestic form². Sir Walter Calverly improved his estate immensely by erecting a fulling mill on the Aire³ and catering for a class of tenants who could combine domestic industry with pasture farming⁴.

and they
adopted
labour
saving im-
plements,

to which
wage-
earners at
the old
centres

There were, therefore, good reasons why the cloth industry, as it spread through the West Riding, should be domestic in character, even though capitalism was becoming dominant in other areas. In the latter half of the eighteenth century the domestic system appears to have had advantages of its own, which counterbalanced the economic conditions that were favourable to capitalist employers. The industrial improvements in the weaving trade of the eighteenth century consisted in the introduction of new implements, or of machines that went by hand-power, rather than of expensive machines that involved the use of water or of steam power, and rendered concentration in factories inevitable. The flying shuttle, which was patented by Kay in 1733, enabled a weaver to do his work without assistance and more quickly; it tended to put all the work in the hands of the best men. Though the wage-earners of the Eastern Counties⁵ objected to it, since it left some men unemployed, the domestic weavers of Yorkshire took it kindly⁶. They were also able

¹ The movement affected the domestic weavers of Devonshire, however, as well as others, and was probably connected with the dearthness of living of which Westcote complained at the beginning of the seventeenth century. *View of Devonshire*, p. 62.

² There is an excellent account of the development of the domestic system in Yorkshire in Mr Graham's evidence before the Committee of 1806 (*Reports*, 1806, III. 1058 p. 444). He had built cottages on an estate near Leeds with 5, 6, 7, 8 or 10 acres of land attached.

³ E. Laurence, *Duty of a Steward to his Lord* (1727), 86.

⁴ On other artificers who cultivated land as a by-occupation, see p. 564 below.

⁵ The Eastern County spinners continued to use the distaff, and had not adopted the wheel in 1780. T., *Letters on Utility and Policy* (1780), 14 [Brit. Mus. T. 220 (7)].

⁶ The weavers both in Colchester and at Spitalfields were strongly opposed to the introduction of the flying shuttle; and John Kay was forced to give up the business he had established at Colchester, and to migrate to Leeds; his shuttle was readily adopted by the Yorkshire weavers, but not his power-loom. Woodcroft,

to procure the hand-jennies which were used in spinning, and thus to get more yarn spun under their own roofs. These new inventions of the eighteenth century were quite congruent with the domestic system¹, while the attempt to introduce them gave rise to conflicts between the masters and men in capitalist areas. Up till the eve of the introduction of steam-power, domestic weaving seems to have been readily compatible with the introduction of labour-saving appliances, and to have developed in Yorkshire because of the economic advantages it possessed, though capitalism had been established in the West of England district.

227. The cloth manufacture had been conducted in many parts of the country with a view to foreign markets, from the fifteenth century onwards, and had to some extent displayed a capitalist character at that period². Special pains had been taken that the expansion of English commerce, in the seventeenth and eighteenth centuries, should cause an increased demand for the product of English looms. This object has been kept in view in the struggle about well-ordered trade, in the negotiations for the Methuen Treaty, and in the agitation for maintaining it; and a similar feeling comes out in the conditions which were eventually imposed on the East India Company, in regard to the export of English goods³. The government were at pains to foster the cloth trade, not merely by opening up better markets abroad, but by fresh industrial regulation. It is in all probability true that the machinery for maintaining the quality of the manufacture had fallen into disuse⁴, and there is very little fresh

Brief Biographies of Inventors of Machines, p. 8. On the other hand, the flying shuttle does not appear to have come into use in the West of England till 1796 (*Reports*, etc. 1840, xxiv. 892, printed pag. 872), and the Eastern Counties weavers had apparently been forced to adopt it before that date. Arthur Young notes at Colchester in 1784, "The manufactory is exceedingly improved by means of a mechanical addition to the loom, which enables one weaver to do the business of two. In wide stuffs they formerly had two hands to a loom, now only one." *Annals of Agriculture*, II. 108.

¹ The machinery for the finishing of the cloth does not appear to have been compatible with the domestic system. The shearmen in Yorkshire, who were wage-earners employed by merchants, resisted the introduction of gig-mills, while the West of England manufacturers were successful in doing so. See below, p. 661.

² See Vol. I. p. 437.

³ In 1768. See above, p. 470.

⁴ An attempt was made to reconstruct it in the West Riding by creating a clothiers' corporation. 14 C. II. c. 32.

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took
exception.

Pains were
taken to
open and
retain
foreign
markets for
English
cloth,

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legislation on this topic; but much attention was given both to the supply of material and the terms of employment. The measures which were passed on these points seem to show that, as we might have expected, the trade was becoming increasingly capitalist in character.

and to
give the
English
manu-
facturers a
preference
in
purchasing
wool.

From time immemorial pains had to be taken by the government to see that English weavers had a sufficient supply of the raw material of their manufacture. The assize of wool, under Edward III., had been intended to check the export of this product at low rates, and thus to give a preference to purchasers at home. In the time of Edward IV., limits were laid down as to the time of year when the Staplers might purchase wool for export; from March 18th till August 24th the home producer had no reason to fear their competition¹. In the latter part of Elizabeth's reign an agitation sprang up in favour of an absolute prohibition of the export of wool², and James I. issued proclamations against it³.

After the
Restoration
the export
was pro-
hibited,
✓

Parliament took up the same line, both at the Restoration⁴ and the Revolution⁵. The measures which were then passed were intended, not merely to give English weavers a preference⁶, but to starve out foreign competition altogether, by preventing industrial rivals from procuring a supply of English wool⁷. This system of prohibition was

¹ 4 Ed. IV. c. 4. Lohmann, *Die Staatliche Regelung der englischen Woll-industrie*, p. 66. This seems to have been specially aimed at a system of contracting beforehand for the purchase of wool.

² S. P. D. EL. cxxlv. No. 104, 1593.

³ 26 Sept. and 9 Nov. 1614; this was during the disturbance caused by Cockayne's patent, but similar steps were taken in later years (p. 298 n. 9, above), and by Charles I. in 1632.

⁴ 13 and 14 C. II. c. 18.

⁵ 1 W. and M. i. c. 32.

⁶ Attention was also given to the supply of other articles used in dyeing (8 G. I. c. 15, §§ 10, 11, also 27 G. II. c. 18) and in cloth working, such as fuller's earth. See the commission of 1622 (Rymer, *Fœdera*, xvii. 412), also 12 C. II. c. 32 and 14 C. II. c. 18. Direct encouragement was given to the growth of certain products, such as madder (A. Young, *Farmer's Letters*, 227, and Pennant, *Journey*, i. 96), which were useful in connection with the textile trades. Tassels or tassels, which were used in the wool manufacture, were grown in considerable quantities in Yorkshire, where cloth dressing was carried on (Arthur Young, *Northern Tour*, i. 191). The want of tassels in Scotland is spoken of by Lindsay (*The Interest of Scotland*, p. 109) as one reason why the woollen trade was so backward there.

⁷ This was believed to be so superior in quality to foreign wools as to be essential, at all events, for certain branches of the manufacture. Defoe, *Plan of*

maintained during the whole period of Whig Ascendancy. As in other cases, the effort to put down a profitable branch of commerce led to the development of an illicit trade; the great stretch of pasture ground on Romney Marsh offered special facilities for the successful running of wool¹. This policy, which tended towards lowering the price of wool, was much favoured by the manufacturers, but it roused the jealousy of the landed interest, and in all probability it did to some extent defeat its own ends. Wool-growing became less profitable, almost at the very date when the corn-bounty Act was giving a new security to those who devoted themselves to tillage. The landowners in the pasture counties were inclined to resent the special favour shown to corn-growing, but the experience of depopulation in the sixteenth century had left an indelible impression on the public mind, and no proposal to develop wool-growing by a system of bounties would have had a chance of passing. At the same time it can hardly be a matter of surprise that, when rules were enforced which tended to keep down the price of wool, the supply showed little sign of increase. The West of England manufacturers had opportunities of obtaining wool and yarn from Ireland², but even with this assistance, and the legal right to the whole of the English clip, the trade fails to show an expansion at all commensurate to the pains which were expended on fostering it.

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The low price of wool would have been advantageous to all manufacturers, domestic and capitalist alike; but the difficulty of transporting a bulky commodity, like wool, gave an advantage to the dealer, who was able to organise the means of conveying his purchase. The domestic weaver, who bought in small quantities for immediate use, could hardly hope to compete with the great stapler, who had facilities for buying in any part of the country. The mediaeval legislation against the regrating of wool was probably designed to

The
domestic
weaver
was at a
disadvan-
tage in the
purchase
of wool.

English Commerce, pp. 173, 174, and the *Contrast* (1782), quoted by Bischoff, *Woolen and Worsted Manufactures*, 95, 281. See also Smith, *Wealth of Nations*, iv viii. p. 268.

¹ *An Abstract of the proceedings of W. Carter* (1694) and *Exordium Angliæ* (1727).

² 1 W. and M. 1, c. 82, § 6. The statute only allowed wool from Ireland to be sent to Liverpool, Chester, Bristol, Minehead, Barnstaple, Bideford and Exeter, and to no other ports.

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*Attempts
were made
to prevent
the large
under-
takers from
engrossing
it,*

protect local weavers against middlemen¹ who purchased for the large employers, or with a view to export². In the sixteenth century, however, the wholesale purchasers seem to have obtained an undisputed position in the wool trade, and the domestic manufacturers could not purchase direct from the grower. Henry VIII. endeavoured to force the dealing in this commodity back on to the old lines by his Weavers' Act³; but under Edward VI. it seemed preferable to recognise the new order of affairs. The domestic weavers, and the spinners they employed, were forced to have recourse to middlemen in order to obtain wool, either for carding or combing, in the quantities that they could afford to buy. Hence the general prohibition against regrators was relaxed in favour of the poorer workers, in the neighbourhood of Norwich⁴, and also round Halifax⁵. The recriminations against the wool merchants, by the weavers, continued through the sixteenth and seventeenth⁶ centuries, but no satisfactory method of giving the domestic spinners and weavers a preference could be devised. The domestic weaver, who could not buy a large stock of material, evidently found it difficult to procure wool or yarn as he required it, and this must have hampered him in the pursuit of his calling; the wealthy undertaker was much less likely to suffer from this difficulty. It may be conjectured that one reason why the domestic system survived so long as it did in Yorkshire was because the little grass farmers round Leeds, who worked as weavers, were able to rely to some extent on local supplies.

*and to
insist that
they should
pay the
regulated
wages,*

The Tudor and Stuart regulation of the wool trade appears to have been intended to protect the domestic weaver from capitalist competition; but the government also busied itself to secure satisfactory conditions for the weavers who were working for wages. This class was not explicitly provided for in the statute of 1563; but authority was given for settling the rates of pay per piece in 1597⁷; and in a

¹ Lohmann, *op. cit.* 66. 27 Edw. III. ii. c. 8; 31 Edw. III. c. 2; 14 R. II. c. 4.

² 4 Henry VII. c. 11.

³ 37 Henry VIII. c. 15.

⁴ 1 Edw. VI. c. 6.

⁵ 2 and 3 P. and M. c. 13.

⁶ See above, p. 298.

⁷ Regulations on this and kindred matters were drafted in 1598 (S. P. D. EL. CCXLIV. 126—180), but the measure became law as 39 El. c. 12.

subsequent statute¹ penalties were imposed on the clothiers who did not pay the wages authoritatively settled. Special protection was afforded, in 1662², to the weavers in the North of England, against masters who cut down wages. The increasing attention given to the condition of wage-earners not improbably indicates that this class was becoming larger, and that their good government demanded more attention. This impression is confirmed by the occasional interference which was thought necessary in times of bad trade. In 1528 there had been capitalists who had dismissed their hands in Essex, Kent, Wiltshire and especially in Suffolk³. Similar trouble arose in Berkshire in 1564⁴. In the unexampled stagnation of 1622⁵, the Crown insisted that merchants should purchase cloth, and that clothiers should continue to give employment, in the hope of relieving distress both among domestic workers and wage-earners. In Suffolk⁶, and later in Essex⁷, the crises involved the ruin of employers as well as the distress of the employed.

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and should
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employ
their hands
in bad
times.

The Acts against truck are another series of measures which indicate the existence of the capitalist system⁸; and similar evidence is furnished by the recurring measures against the dishonesty of workmen in embezzling materials⁹. These causes of dispute could only arise under the capitalist system, but the repressive measures give us comparatively little information as to the districts where the trouble was most keenly felt. On the other hand the accounts, which have come down to us, of the disputes in the cloth trade¹⁰ in

Wage-
earners
were
accused
of em-
bezzling
materials.

¹ 1 J. I. c. 6.

² 14 C. II. c. 82, § 15.

³ Hall, *Chronicle*, 746. Brewer, *Cal. S. P.* iv. 4044, 4289.

⁴ S. P. D. El. xxxiv. 48. There was also an interruption of trade in 1587 which was severely felt both at Bristol and Southampton, and it seemed desirable to fix on a new depot for the export of cloth. S. P. D. El. cc. 5, 12.

⁵ S. P. D. J. I. cxxvii. 76. See also the reports of the goods from Gloucester, Somerset, Reading, Blackwell, Manchester, Wiltshire and Kent, in Blackwell Hall. S. P. D. J. I. cxxviii. 72—76.

⁶ S. P. D. J. I. cxxviii. 67.

⁷ In the depression from 1681—1687. S. P. D. C. I. 1687, cccliv. 92, April 26th, and ccclv. 67, May 4.

⁸ 1 Anne II. c. 18, § 8; 12 Geo. I. c. 84; 29 Geo. II. c. 88.

⁹ 6 H. VIII. c. 9; 7 J. I. c. 7; 1 Anne II. c. 18.

¹⁰ For a dispute in London, 1675, see *A true Narrative of the Proceedings against the Weavers* (Brit. Mus. 1182. b. 79). They seem to have rioted and to have broken looms, which shows that the looms could not have belonged to

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and formed
combinations

in Devon
and
Somerset,

the eighteenth century, show how deeply-seated and how wide-spread the severance between capital and labour had become. The struggle had assumed considerable proportions in Devonshire, in 1718, when a proclamation against unlawful clubs was published, reciting that, whereas "complaint had been made to the Government that great numbers of Wool-combers and Weavers in several parts of the Kingdom had lately formed themselves into lawless Clubs and Societies which had illegally presumed to use a Common Seal and to act as Bodies Corporate by making and unlawfully conspiring to execute certain By-laws or Orders, whereby they pretend to determine who had a right to the Trade, what and how many Apprentices and Journeymen each man should keep at once, together with the prices of all their Manufactures and the manner and materials of which they should be wrought; and that when many of the said Conspirators wanted work because their Masters would not submit to such pretended Orders and unreasonable Demands, they fed them with Money till they could again get employment, in order to oblige their Masters to employ them for want of other hands; and that the said Clubs by their great numbers and their correspondence in several of the Trading Towns of the Kingdom became dangerous to the publick peace, especially in the Counties of Devon and Somerset; where many Riots had been committed, private Houses broken open, the Subjects assaulted, wounded and put in peril of their lives, great Quantities of Woollen Goods cut and spoilt, Prisoners set at Liberty by Force, and that the Rioters refused to disperse, notwithstanding the reading of the Proclamation required by the late Riot Act. For these causes the Proclamation enjoined the putting the said Riot Act and another Act made in the reign of Ed. VI. (intituled The Bill of Conspiracy of the Victuallers and Craftsmen) in Execution against all such as should unlawfully confederate and com-

them as domestic workers. "It is sufficiently known to most persons about this City, what great mischief and disorders happened by the Insurrection of the *Weavers* in August last, not only to the breaking of the public Peace, but to the great damage of several persons whose Looms and Instruments of Trade they forcibly took away from them and burned." They persisted day after day "in continual tumults" and laid "violent hands on looms."

bine for the purposes above mention'd, in particular, or for any other illegal Purposes contrary to the Tenour of the aforesaid Acts¹." There were troubles in Gloucestershire in 1727, when the method of paying for piece-work was carefully specified², and in 1756, when a new statute was passed conferring on the Justices the power of regulating wages³. We hear of occasional strikes such as that in 1754 at Norwich, when three hundred wool-weavers, discontented with their wages, quitted their business, retreated to a hill three miles off, built huts and stayed six weeks there, supported by the contributions of their fellow workmen⁴. The organisations of workmen were becoming so powerful that they were prohibited by legislative enactment. "Whereas great numbers of weavers and others concerned in the woollen manufactures in several towns and parishes in this kingdom, have lately formed themselves into unlawful clubs and societies, and have presumed, contrary to law, to enter into combinations, and to make by-laws or orders, by which they pretend to regulate the trade and the prices of their goods and to advance their wages unreasonably, and many other things to the like purpose".....it was enacted that "all contracts, covenants or agreements, and all by-laws, ordinances, rules or orders, in such unlawful clubs and societies, heretofore made or entred into, or hereafter to be made or entred into by or between any persons brought up in or professing, using or exercising the art and mystery of a wool-comber, or weaver, or journeyman wool-comber, or journeyman weaver, in any parish or place within this kingdom, for regulating the said trade or mystery, or for regulating or settling the prices of goods, or for advancing their wages, or for lessening their usual hours

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in
Gloucester-
shire,

and at
Norwich.

¹ Quoted from the Historical Register, issued by the Sun Fire Office, in *Notes and Queries*, 3rd Series, xii. 224. On the troubles at this time, see also *The Weavers' Pretences examined, being a Full and Impartall Enquiry into the Complaints of their Wanting Work and the true Causes assigned*. By a Merchant (1719). Brit. Mus. 1029. e. 17 (8). Additional information about early combinations in Devonshire will be found in Martin Dunsford's *History of Tiverton*, 206.

² 13 Geo. I. c. 28.

³ 29 Geo. II. c. 33. This action on the part of the legislature seems to show that the practice of assessing wages had fallen altogether into neglect, but it appears to have been maintained in Lincolnshire as late as 1754. See p. 897 below.

⁴ Sir J. Nickolls' *Remarks on the advantages and disadvantages of France and Great Britain with respect to commerce* (1754), p. 139.

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*Masters
were
allowed to
combine to
prosecute
fraudulent
workmen,*

of work, shall be and are hereby declared to be illegal, null and void to all intents and purposes¹."

At the same time attempts were made to strengthen the hands of the employers in exercising and controlling the men, as it was exceedingly difficult for any employer to exercise effective supervision over a number of weavers each of whom worked in his own home. It was alleged that the clothiers suffered severely from the fraud and negligence of the working manufacturers², though it was rarely worth their while to prosecute a poor man, even when he was grossly to blame. Thus masters were allowed to combine for the prosecution of fraud in connection with trade, and in this way a right of combination was conceded to the masters³, which had been and continued to be denied to the men.

*and in-
spectors
were ap-
pointed to
maintain
the quality
of goods.*

There were other forms of fraud which had occasioned trouble in the export trade of the country in earlier times⁴, and against which it was necessary to guard. The excessive straining of broad cloth was injurious to the fabric, and in 1727 the Justices were authorised to appoint Inspectors who should have the power to visit all the premises in Wiltshire, Gloucestershire and Somersetshire where the manufacture was carried on, in order to guard against this abuse⁵. Official inspection was still chiefly directed to the quality of goods, and was not yet applied to the conditions of work.

*The differ-
entiation
of an
employing
class
occurred
in the
spinning
trade*

228. There is ample evidence of the rise of an employing class and re-constitution of industry on a capitalistic basis, not only in weaving, but in other processes connected with the manufacture. The records of the investigation, in 1633, into the condition of the clothing trade in the West of England make it clear that there was a class of market spinners⁶ who "sett many spinners on work," and gave "better wages than

¹ 12 Geo. I. c. 34.

² All through the eighteenth century, the term manufacturer is applied, as in Johnson's *Dictionary*, to the working craftsman, not to the capitalist, who is generally spoken of as a clothier. [Temple's] *Considerations on Taxes as they are supposed to affect the Price of Labour in our Manufactures*, p. 2, is an early (1755) instance of the modern sense of the word.

³ 17 Geo. III. c. 11; 24 Geo. III. c. 3.

⁴ Vol. i. 193 and p. 221 n. 1 above.

⁵ 13 Geo. I. c. 23. A similar enactment was passed to repress the same evil among the domestic manufacturers in Yorkshire in 1765. 5 Geo. III. c. 51.

⁶ S. P. D. C. I. cccxliii. 23; also cclxxxii. 81. See p. 96 n. above.

the clothiers"; they were accused, but apparently on insufficient grounds, of making false yarn. Many of the poor spinners appear to have been wage-earners, and to have been very badly off. "If the poore spinner shall depend only upon the Clothier for worke, the Clothier at this time gives too little wages, as the poor Spinner can hardly live, it may well be feared they will then give less, and will thus make choyce of the prime spinners out of the whole number of spinners, and turn of the reste, which may be of ill consequence¹." The competition of two classes of capitalists was evidently regarded as beneficial to labour. A.D. 1689
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The new method of organisation was also being adopted in the trades which were occupied in finishing the cloth. So long as the domestic system held its own among the weavers, there was at least a possibility that the cloth-worker would be an independent man, who had purchased the goods on which he exercised his skill², and this appears to have been the form in which the trade was conducted in London in 1634³. But the extension of capitalism, through the energy of employers who desired to control the whole process of production, tended to change the economic status of this calling. Clothworking ceased to be a separate trade, and became a mere department of an industrial undertaking organised by an employer. This change in the position of their business necessarily involved an alteration in the character of the organisations among the cloth-workers. The function, which their companies had formerly discharged, of maintaining the quality of workmanship, was henceforth performed by capitalist employers, so that associations were no longer needed for this purpose. The transitional phase is clearly marked at Ipswich in 1620. The Clothworkers' Company there, obviously retained its character as an association of domestic workers; certain members protested against the manner in which their Company was controlled "by poor and *and in
cloth-
working.

Capitalist
supervision
proved
beneficial*

¹ S. P. D. C. I. CCXLIII. 28.

² As early as 1565, however, there were drapers at Shrewsbury who purchased Welsh cloth, and employed shearmen and clothiers at Shrewsbury to earn wages by dressing and finishing these goods (8 El. c. 7). In Yorkshire, at the beginning of the nineteenth century, the men engaged in this business appear to have been wage-earners employed either by cloth merchants, or the domestic weavers.

³ S. P. D. C. I. CCLXXVIII. 104.

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unworthy persons" who only made it an excuse for levying money¹; while the clothiers desired to be free to see to the business of dressing cloth themselves². There was a conflict between the capitalists and the Company, the members of which were sinking to the position of wage-earners³, and to a lowered social status, and less secure standard of life. It is highly probable that some of the Companies which survived, came to discharge functions which were closely analogous to those of modern Trade Unions.

*among the
felt-
makers.*

There are some cases in which the differentiation of an employing class was apparently due to the success of the capitalist in exercising supervision wisely. The London felt-makers⁴ insisted that all work must be done under the direct observation of the master, and set their faces against the weighing out of stuff by employers, to be made up at the worker's home. This policy appears to have commended itself to the journeymen also, in the face of the competition to which they were exposed by the French immigrants, and the trade continued to prosper on these new lines. The Felt-makers' Company seems to have changed in character during the period after the Restoration, and to have become a body of capitalist employers, rather than an association of small masters; while during the same period an active organisation had come into existence among the men, which had pursued a policy very similar to that which has been generally adopted by nineteenth century Trade Unions.

*In this
calling*

*as well as
among the
tailors, the
rise of
capitalism*

The possession of material, and ability in supervision, combined to bring about the rise of an employing class in the tailoring trade. In rural districts, the tailor continued to visit the houses of his clients and to work upon the materials they furnished; but in London, the customers preferred to deal with a man who had a stock of materials. They had the advantage of a larger choice of goods, and the head of such a business would acquire special skill in cutting and a knowledge of prevailing fashions. The differentiation of the employer from the employed was almost inevitable; it

¹ S. P. D. J. I. cxii. 64.

² S. P. D. J. I. cxii. 68.

³ The clothiers of Ipswich appear to have been employing cloth-workers in 1639. S. P. D. C. I. ccccxv. 40, also ccccxviii. 44, 45.

⁴ Compare the interesting article by Mr G. Unwin on *A Seventeenth Century Trade Union*, in the *Economic Journal*, x. 898.

was likely to arise so soon as the master-tailor owned and traded in materials on which he worked. There had been a considerable amount of trouble in the trade, as early as the fifteenth century, when the management of the London tailors' gild appears to have passed into the hands of men who were more concerned in the cloth trade than in making clothes¹. The journeymen tailors, who worked for wages, had become a well-defined class; and early in the eighteenth century, they were definitely organised in a Trade Union. Their society appears to have been a new thing; in 1721², it was composed of wage-earners, who were primarily concerned in trying to secure better terms for themselves from their masters; it was not a gild, or company, consisting of independent masters who were anxious to maintain due supervision over the manner in which work was done. It had no direct concern with the public, but only with the relations between masters and men.

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was followed by
organisation among
the wage-earners.

The most serious grievances on the part of the workmen, during the eighteenth century, arose in connection with an industry where the capitalist's position was due not so much to his skill as an organiser or supervisor or his possession of the materials, as to the fact that he owned the machinery which was necessary for the prosecution of the trade. The framework knitting trade had been organised on capitalist lines from the first, and the efforts to control the action of the employers in the interest of the hands, proved ineffective. The stocking frame had been invented in the time of Queen Elizabeth; and a considerable industry had sprung up in Nottinghamshire, as well as in London, where a Company was formed which assumed power to regulate the trade of the Framework Knitters³. One very important point in the rules they laid down was that they were careful about limiting the number of apprentices. They had been chartered by Cromwell, and again by Charles II.; and the trade appears to

Capitalism
appears at
its worst

¹ See Vol. I. 444. ² F. W. Galton, *Select Documents on Tailoring Trade*, xvi.

³ One man who objected to their regulations tried to migrate with his frame to Amsterdam, but he had no success. Felkin, *A History of the Machine-wrought Hosiery*, 61. Pains were taken to prevent the trade from being planted in foreign parts, as the exportation of the machinery was forbidden, by Proclamation (15 Jan. 1666), [Brit. Mus. 1851. d. 23 (8)], and by Statute (7 and 8 W. III. c. 20, § 8).

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*in connection
with frame-
work
knitting as
carried on
by pro-
vincial
under-
takers*

*in defiance
of the
London
Company,*

*but the
new
organisa-
tion was
everywhere
incom-
patible
with old
regula-
tions.*

have steadily increased till 1710, when the pressure of the wars was severely felt, and the journeymen drew attention to the fact that the regulation about apprentices had been persistently neglected. The journeymen, and some of the masters, endeavoured to enforce this rule in London, but without success. The machines of one recalcitrant master, named Nicholson, were broken; and he, as well as two others, migrated to Nottingham. The London Company subsequently attempted to enforce the rule against the Nottingham masters, but they had no success. There was in consequence a further migration of the trade to Leicester and Nottingham; and the Company proceeded to frame a series of by-laws which they hoped to enforce, as they obtained the approval of the Chancellor. One of these regulations roused much opposition among the provincial masters, who appealed to the House of Commons against the new by-laws¹. A Select Committee² reported against the Company; and the evils it had endeavoured to check became more and more serious. In the decade before the Parliamentary decision, the work in provincial districts appears to have been largely done by apprentices bound by their parishes, who were in many cases badly treated. There was little or no employment for journeymen, and the quality of the output appears to have seriously declined. The conditions, which arose through the competition of capitalist employers in this industry, were not satisfactory from the point of view either of the labourer or of the public.

From one cause or another, organisation by capitalist employers³ was superseding the system of independent workmen in one trade after another, during the seventeenth and eighteenth centuries, and this change was, generally speaking, inconsistent with the maintenance of the old machinery for regulating the quality of production and the conditions of

¹ The Company considered that outsiders who bought frames and hired them out, but who did not themselves deal in the product, exercised an injurious influence on the trade.

² Felkin, *op. cit.* 80.

³ Dr Sprague has called my attention to an interesting case of combination among shoemakers' servants at Nottingham in 1619. *Records of the Borough of Nottingham*, iv. 862.

work¹. Employers were responsible for guaranteeing the excellence of the product, and they were obviously coming to have a great deal of power in determining the circumstances and terms under which labour was carried on.

229. While these changes were occurring in the old established industries of the country there was also a considerable development of new trades. There had been very little opening for the planting of new manufactures during the greater part of the seventeenth century, but towards its close an opportunity arose of which Charles II. had been ready to take advantage to the fullest extent². Parliament was also prepared to encourage the religious refugees from France, though the government did not adopt the same measures as had commended themselves to Lord Burleigh under similar circumstances³. The legislature did not grant the Huguenots exceptional industrial privileges, but preferred to pass measures which should serve to foster the new industries, in whatever part of the realm they might be carried on. The principal expedient adopted was that of promoting consumption by legislative enactment. The policy of insisting that the public should use certain wares, when other goods would suit them as well or better, is a particularly fussy form of protection. It does not obviously encourage the general industry of the country, but only stimulates one trade at the expense of others. A curious sumptuary law was passed, in 1698, which lays down minute regulations in regard to buttons⁴. These had been the subject of legislation under Charles II.⁵; in the time of Queen Anne⁶, button-holes were also taken into consideration; and the substitution of serge for silk in covering buttons and working button-holes gave rise to a stirring debate in 1738⁷. There was similar legislation in

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The Huguenot incursion gave opportunities for planting new industries

which Parliament encouraged by legislation for promoting consumption at home

¹ As Mr Unwin points out, the exceptional condition of the Feltmakers' trade enabled them to maintain an effective system of regulation after the company had become capitalist in character.

² See above, p. 328.

³ See above, pp. 82, 830.

⁴ 10 and 11 W. III. c. 10. Cunningham, *Alien Immigrants*, p. 237.

⁵ 13 and 14 C. II. c. 18.

⁶ 8 Anne, c. 6. *For employing the manufacturers by encouraging the consumption of raw silk and mohair yarn.*

⁷ *Parl. Hist.* x. 787.

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1745, when a penalty of five pounds was imposed on those who should wear French cambrics or lawn; a similar fine was imposed on those who sold it'. Anderson² expresses doubt as to whether it was seriously intended to try to enforce such a measure; but it is in full accord with the policy which was habitually pursued, of giving as much encouragement to the native linen manufacture as could be done without interfering with the supremacy of the cloth trade; and the facts, that it was amended after three years' time, and that the Commons refused to repeal it even when its futility was demonstrated³, seem to show that the legislators were perfectly in earnest. Parliament also had recourse to another expedient, which found favour at the time, for fostering the silk trade, an industry which did not owe its introduction to, but was at all events invigorated by, the Huguenot immigration. The legislature not only tried to promote home consumption, but to stimulate the export trade as well⁴. This whole system of bounties was a most extravagant mode of encouraging the new industries and gave rise to effective criticism, especially as there was considerable doubt in many minds as to the advisability of introducing these manufactures at all. They were for the most part exotic trades, the materials of which were not of English growth⁵.

and grant-
ing boun-
ties on
export.

New-
fashioned
textiles
of silk

The silk manufacture was the business which was specially cared for; and curiously enough, the new trades, which eventually attained the greatest importance, were so far from being favoured that they were positively discouraged. The woollen manufacturers were exceedingly

¹ 18 Geo. II. c. 36 re-enforced by 21 Geo. II. c. 26.

² His work was incorporated by Macpherson, *Annals*, III. 245.

³ Sir J. Barnard's Speech (1753), *Parl. Hist.* xv. 163.

⁴ In 1722 a bounty of three shillings a pound was granted on the exportation of silks, four shillings on silk mixed with gold or silver, and one shilling on silk stockings. 8 Geo. I. c. 15.

⁵ Davenant, *Essay on the East India Trade*, in *Works*, I. 99; also Arthur Young, in *Farmer's Letters*, p. 17, condemns the pains taken to develop such manufactures. J. Massie writes with great discrimination on the kinds of manufacture to be encouraged and the importance of native materials, *Representation concerning the Knowledge of Commerce*, 20; *Plan for the establishment of Charity Houses*, p. 10; *Reasons against laying any further British duties on Wrought Silks*, p. 4.

jealous of the introduction of cotton weaving, or of any textile art that might interfere with the market for their goods¹, and Parliament looked askance on the manufacture and printing of cotton fabrics². The Huguenots started calico printing at Richmond in Surrey³. The prohibition of Indian fabrics⁴, which had been devised in the interest of the woollen manufacture, told for a time in favour of the new trade; but under Anne, an excise was imposed on English-printed goods⁵. The wares produced in England, by printing white goods imported from India, suited the public taste so well, that the jealousy of the woollen manufacturers revived. It seems that there was a violent outbreak, especially at Colchester. Defoe gives us a curious picture of the conflicting interests at stake. The rioters appear to have mobbed and insulted the women who wore these fabrics, and they even threw aqua fortis over their clothes and into their carriages. If Defoe's statement is to be relied on, we cannot wonder that the taste for these goods developed so rapidly, as they only cost an eighth part of the price of the woollen fabrics they supplanted. He appears, however, to have sympathised with the weavers, as also did Parliament; for, in 1720, an Act was passed⁷ which prohibited the use of these calicoes, whether printed at home or abroad. The trade suffered a severe blow; but was continued in the printing of linens, and later of cotton with a linen warp.

The industries, which were thus introduced and fostered, were, for the most part, developed on capitalistic lines. "If we take a view of those Towns where the *Silk* and *Cotton* Trades have settled themselves, we shall find there ten

¹ A scheme for increasing the home demand for cloth is contained in *A brief deduction of the origin, etc. of the British Woollen Manufacture* (1727), p. 51. It gives an admirable description of the local distribution of the trade, of its history, with the names of Flemish settlers, and of the development of foreign competition.

² Baines, *The History of the Cotton Manufacture*, 259.

³ Baines, *op. cit.* 259.

⁴ 11 and 12 W. III. c. 10. *An act for the more effectual employing the poor by encouraging the manufactures of this Kingdom.*

⁵ 10 Anne, c. 19; 12 Anne, ii. c. 9.

⁶ W. Lee, *Daniel Defoe*, ii. 188.

⁷ 7 Geo. I. c. 7, amended 9 Geo. II. c. 4.

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Master Manufacturers for one in the space of a few years, and five times the Number of Workmen. These Towns owe their greatness as well as the Nation the Trades here mentioned to the public spirit of two or three Men in each,.....This spreading of Trade and multiplying of Masters has so astonishingly enlarged these Cities of late years, and increased the numbers of Workmen¹." Capitalism was becoming the prevalent type of organisation, and it was specially appropriate for exotic trades. Any trade, which had been constituted under the control of large employers in its older habitat, was likely to be introduced in the same form; and as capital was an important factor in the transferring of a trade to a new area, there was a tendency for the industry, as transplanted, to conform to the capitalist type. This trend towards capitalism had already been exemplified in the planting of new industries under Elizabeth²; it seems to be probable that both the new drapery and the cotton manufacture³ were organised, from their first introduction to this country, by employers. Though some of the protestant refugees were mere labourers, others were men of considerable means⁴ and of tried capacity, who were well able to engage in trades where an expensive plant was necessary. The gun-making which was developed at Birmingham, the paper manufacture and glass works which sprang up in so many places, were necessarily organised as capitalist undertakings. There were, of course, other cases where the newly introduced or developed trade was organised on domestic lines. This was to some extent true of the silk industry, from its artistic character, though the cost of the material rendered it particularly suitable for capitalist intervention⁵. We can find indications of the transformation of this trade on the capitalist model, which are closely analogous to the steps in the reconstitution of old-established English

¹ *Reflections upon various subjects* [Brit. Mus. 1144 (8)]. ² See above, p. 78.

³ The cotton trade appears to have been organised on capitalist lines in Augsburg, long before its migration to Antwerp, or to England. Nuebling, *Ulm's Handel in Mittelalter*, 142, in Schmoller's *Forschungen*, ix. v.

⁴ Smiles, *Huguenots*, 268; Macpherson, *Annals*, ii. 617.

⁵ A mere labourer would have great difficulty in purchasing it—on the other hand the capitalist would run special risks of embezzlement.

industries¹. The migration of the silk industry, from Canterbury to London, is not improbably connected with the greater freedom for capitalist organisation which seems to have characterised the trade in Spitalfields. There is evidence as to a certain amount of capitalist oppression in the fact that systematic protection was accorded by the Spitalfields Acts²; but on the other hand, the industry in the country advanced through the enterprise of those who introduced machinery driven by water-power for silk-throwing³; the silk-weaving in Cheshire appears to have been benefited by these facilities for obtaining materials. The infusion of new trades was a very striking industrial development at this date, and it certainly gave an increased importance to capitalist manufacturers as a class.

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by the
intervention of
capitalists

and intro-
duction of
machinery.

The importance of capitalist employers in this connection comes out in the story of the linen manufacture, in its various branches. The manufacture of sailcloth, in which Burleigh had been particularly interested, was at last naturalised through the energy of M. Bonhomme⁴, who had recently started the trade on French soil. Capital for his undertaking was provided by the elders of the French Church in Threadneedle Street. A joint-stock Company⁵ was created, with Dupin⁶ at its head, to carry on the linen industry, which had never flourished in England⁷. The new

Capital
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scribed for
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turing sail-
cloth

¹ In Holland the old trades maintained their domestic character and gild organisation all through the seventeenth century, but the trades which were introduced by immigrants were for the most part established on capitalist lines. Pringaheim, *Beitrage*, pp. 82, 40.

² 18 Geo. III. c. 68. It is possible that the migration of silk-weaving to Taunton was due to an attempt on the part of employers to evade these Acts. Cunningham, *Alien Immigrants*, 286. As regards the silk-manufacture in the Essex district, which fell within the Spitalfields Act, it appears that the employers would be able to obtain the services of weavers on easy terms in districts where woollen weaving had decayed.

³ Sir T. Lombe's machine was copied from an Italian model and attracted much interest when it was set up at Derby in 1718. Rees, *Encyclopedia*, s.v. *Silk manufacture*.

⁴ Cunningham, *Alien Immigrants*, 289.

⁵ Its failure, like that of the Royal Lustring Company, was attributed to Stock Exchange speculation (*Angliæ Tutamen*, 24). A joint-stock company with a capital of £100,000 was formed to carry on the manufacture of fine cambrics in England in 1764. 4 Geo. III. c. 87.

⁶ See Molyneux' *Letters to Locke*, in Locke's *Works*, viii. 389, 436, 448.

⁷ "The Linen Manufacture has been attempted at different Times and Places in Great Britain, as well as most of the Counties in England, on the North Side of

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and the
linen trade
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venture enjoyed royal patronage and appeared to prosper for a time, but it failed to fulfil the anticipations that had been formed, and involved the subsidiary Company which had been developed in Ireland in its ruin¹. The desirability of developing this industry, and its suitability for the Irish climate and soil, had been recognised since the time of Strafford²; but it was not till Louis Crommelin³ took the matter up, and organised an ingenious co-operative system⁴ by which the necessary stock-in-trade was contributed, that the Irish industry really took root and began to develop. Great pains had been taken by the Scotch Parliament to foster a linen trade, both by promoting consumption, and by insisting on a uniformity in the cloth exposed for sale⁵. A large portion of the money which the Act of Union assigned for encouraging the industrial arts in Scotland was devoted to the linen-trade; there were premiums on the growth of lint, support was given to schools where spinning was taught, prizes were awarded to housewives for the best specimens of linen, and considerable pains were taken to procure models of improved looms⁶. But the most important developments occurred after 1727, when the Scottish Board

Trent where they make Linen for their own Consumption, besides a species to Export in Imitation of Osenburgh, but with small success, as it never was pushed with Vigour, or cherished with proper Care and Encouragement from the Publick, or those in Power, by giving premiums as is done in Scotland and Ireland." *An Appeal to Facts regarding the Home Trade and Inland Manufactures* (1751), 55; Brit. Mus. 1144. 7. See also above, p. 369 n. 2.

¹ See the excellent account of this episode by Dr W. R. Scott. *Proceedings of Royal Soc. Ant. Ireland*, xxxi. 374.

² See above, p. 369; also *Reports*, 1840, xxxii. 458, 521. The English Parliament which was determined to check the migration of Devonshire weavers to Ireland was ready to encourage alien linen weavers to settle there. They hoped that the foreign Protestants who were leaving France might be attracted to settle in Ireland and carry on their calling there. "Whereas there are great Sums of Money and Bullion yearly exported out of this Kingdome for the purchasing of Hemp Flax and Linen and the Productions thereof which might in great measure be prevented by being supplied from Ireland if such proper Encouragement were given as might invite Forreigne Protestants into that Kingdome to settle" (7 and 8 W. III. c. 39). In 1709, 500 families of poor Palatines were sent to Ireland to carry on husbandry and the linen manufacture. *State Papers, Treasury*, 1703-14, cxix. 1; also 1714-19, clxxxvii. 25.

³ *Ulster Journal of Archaeology*, i. 212, iv. 206.

⁴ See p. 329 n. 2, above.

⁵ Bremner, *Industries of Scotland*, 215.

⁶ Bremner, 217. On the progress of the art, compare Lindsay, *Interest of Scotland* (1783), pp. 81, 160, 178.

of Trustees for Manufactures invited Nicholas D'Assaville ^{A.D. 1689} along with experienced weavers of cambric and their families ^{—1776.} to come and settle¹. They established themselves in a suburb of Edinburgh, on the road to Leith, and the site of the little colony is commemorated by the name Picardy Place. In 1753, Parliament voted £3,000 a year for nine years to propagate this trade in the Highlands; and such success attended these efforts that, in 1800, the Board thought it unnecessary to open a spinning school in Caithness, as the art was generally understood and there were so many opportunities for learning it². In 1746 an Edinburgh ^{public funds,} Company had been chartered under the name of the British Linen Company. The Company's principal mode of operation was by advancing ready money to the manufacturers, and they thus came to devote themselves to ordinary banking business, outside the limits of the special trade they had intended to subserve at first. The development of the credit system in Scotland and the growth of the linen industry went on hand in hand. Under these various encouragements the Scotch linen trade increased rapidly; and, whereas the average annual production from 1728 to 1732 was only three and a half millions of yards, it had reached just double the amount in 1750³. It must be remembered that, in this matter, Scotland was at a very great advantage as compared with Ireland, as from 1707 onwards the Northern Kingdom shared in all the advantages of English commerce⁴, and the Glasgow merchants were anxious that no step should be taken which would have curtailed their privileges⁵. Under <sup>and the develop-
ment of
credit.</sup> <sup>Scottish
linen had
better
access to
foreign
markets
than Irish,</sup>

¹ See above, p. 380 n. 5.

² Bremner, 219.

³ Macpherson, III. 289.

⁴ Ireland was only permitted to export her linen direct to the American Plantations. 3 and 4 Anne, c. 8.

⁵ Compare the debate in 1778. *Parl. Hist.* xix. 1117. Also Burke's letters to Bristol Merchants, *ib.* 1100. "Trade is not a limited thing; as if the objects of mutual demand and consumption could not stretch beyond the bounds of our jealousies. God has given the earth to the children of men, and he has undoubtedly, in giving it to them, given them what is abundantly sufficient for all their exigencies; not a scanty, but a most liberal provision for them all. The author of our nature has written it strongly in that nature, and has promulgated the same law in his written word, that man shall eat his bread by his labour; and I am persuaded, that no man, and no combination of men, for their own ideas of their particular profit, can, without great impiety, undertake to say, that he shall not do so; that they have no sort of right, either to prevent the labour, or to

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the circumstances, the Irish linen trade did not prosper rapidly, though the Irish Parliament did their best to encourage it¹, and it had attained considerable proportions when the Dublin Linen Hall was founded in 1728². It did not spread over the whole island³, but it seems to have made steady progress through the eighteenth century⁴. The trade was protected against foreign linens⁵ and enjoyed certain bounties⁶, but it did not have a fair share of the encouragement⁷ that was given to British linens⁸. There can be no doubt that certain English statesmen viewed this trade with some jealousy. They feared that if we did not take our returns from the Low Countries in linen, they would close their ports against English woollen cloth; and thus, while the Irish clothing trade was extinguished, the Irish linen trade was also offered as a sacrifice to the staple industry of this country.

230. The story of the hardware trade during this period has somewhat special interest, since it does not present a close parallel to that of the other trades. There is no reason to believe that the organisation of the industry underwent much change. Some departments seem to have been capitalist in character from mediæval times⁹; though such branches of business as nail-making continued to be in the withhold the head. Ireland having received no compensation, directly or indirectly, for any restraints on their trade, ought not, in justice or common honesty, to be made subject to such restraints. I do not mean to impeach the right of the parliament of Great Britain to make laws for the trade of Ireland. I only speak of what laws it is right for parliament to make."

¹ *Irish Commons Journals*, II. i. 287; 10 and 11 W. III. c. 10, § 2.

² Lecky, *History of England in the Eighteenth Century*, II. 321.

³ *Essay on the Antient and Modern State of Ireland* (Dublin, 1760), 63. Brit. Mus. 116. g. 12.

⁴ Newenham, *View of the Natural, Political and Commercial Circumstances of Ireland*, App. No. 7, p. 10. There was a temporary decline for some years after 1771, *Reports from Committees of the House of Commons*, III. 107.

⁵ 7 Geo. III. c. 58.

⁶ 10 Geo. III. c. 38.

⁷ Compare the Report of 1744, *Reports from the Committees of the House of Commons*, II. 69.

⁸ 10 Geo. III. c. 40. See also the speech of the Marquis of Rockingham, *Parl. Hist.* XX. 640.

⁹ Compare the survey of the possessions of Gilbert d'Umfraville (1245). I. Lowthian Bell in *Brit. Assoc. Report*, 1863, 737. Dr G. T. Lapsley has printed [*Eng. Hist. Review*, XIV. (1899), p. 509] an interesting account of the Bishop of Durham's forge at Bedburn in Weardale in 1408. The hands, of various grades of skill, were all wage-earners, and in years when the works were let at farm, they were probably rented by a capitalist undertaker.

hands of small independent masters. The history of the trade is almost entirely concerned with the struggle that was made to overcome the difficulty that arose from the increasing scarcity of fuel; but incidentally, it throws much light on the policy that was pursued in regard to the industrial development of the plantations.

The paucity of fuel had caused anxiety even in Tudor times, and there had been legislation with the view of maintaining woods and coppices in the reign of Henry VIII.¹ The Sussex Ironworks were regarded with special suspicion, as they drew on supplies of timber that might have been available for shipbuilding and competed with London for supplies of fuel. Eventually they were starved out; and the iron-trade migrated to Shropshire and the Forest of Dean, where both iron-ore, and fuel for smelting, were more easily obtained. It was obvious, however, that, though this was a temporary relief, it could not prove a permanent remedy. From the sixteenth century onwards, attention had been directed to the possibility of substituting coal and coke, for wood and charcoal, in the various processes of the iron manufacture. Neither Dudley, nor any of the other men who devoted themselves to this object, were able to get beyond the experimental stage; but the difficulties were gradually solved, and the Darbys made the new processes a practical success. The cast-iron bridge over the Severn, which was erected in 1779, marks the beginning of an iron age, when the metal² has been applied to new purposes of many kinds and serves as a monument to the enterprise of this family,

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¹ 35 Hen. VIII. c. 17. Frequent cases of prosecutions under this Act occur in the Bedfordshire Quarter Sessions Records in the seventeenth century. Compare also for Durham in 1629, I. Lowthian Bell, *Brit. Assoc. Report*, 1863, p. 787. "There is one man, whose dwelling place is within twenty miles of the city of Durham, which hath brought to the ground, above 30,000 oakes in his life tyme; and (if hee live longe) it is to be doubted, that hee will not leave so much tymber or other woodde in this whole County as will repaire one of our churches, if it should fall, his iron and leade workes do so fast consume the same." A. L., *Relation of some abuses which are committed against the Commonwealth composed especiallie for the Benefit of this Countie of Durhame*, p. 9.

² The most important steps in progress may be briefly indicated. Abraham Darby succeeded in 1735 in making coke from coal; this served as a substitute for wood charcoal in the furnaces for smelting the ore, when a more powerful blast was used (Smiles, *Industrial Biography*, p. 338). In 1766 the Cranages introduced a reverberatory furnace in which coal could be used, and superseded the forges in

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furnaces,

who devoted themselves for three generations to the improvement of the trade. The turning-point in the history of the industry may be dated however at 1760. In that year the Carron Works were founded; and the blast furnaces, which Roebuck erected, were built with a view to the use of coal. Still, the progress was not very rapid till about 1790¹, when steam-engines were introduced to work the blast-furnaces. With this more powerful blast they were able to save one-third of the coal hitherto used in smelting. The old blast-furnaces had been worked by water, and considerable ingenuity had to be exercised in order to get a powerful and uninterrupted blast². The effect of these improvements was unprecedented, and in 1796 the production of pig-iron was nearly double what it had been eight years before. Mr Pitt had proposed to tax coal in 1796, and pig-iron in 1797, but he was forced to abandon both projects. When the latter plan was revived by Lord Henry Petty in 1806, the Bill passed the second reading by a narrow majority, but was dropped in Committee. The returns which were made, and discussions which took place in connection with these proposals, have put on record an immense amount of information in regard to the manufacture of pig-iron, at the time when these new inventions caused it to advance with the greatest rapidity.

and for
puddling.

Shortly before these improvements in blast furnaces had been introduced, two very important inventions had been made by Mr Cort, of Gosport; in 1783 he obtained a patent for converting pig-iron into malleable iron with the aid of coal, in a common air-furnace, by puddling³; in the following year he obtained a patent for manufacturing the malleable iron into bars, by means of rollers instead of the forge hammers which had been hitherto in vogue. Like so many of the other inventors, Mr Cort derived little personal benefit from inventions which have been of world-wide importance, which pig-iron had been converted into bar-iron with the help of charcoal (*ib.* 87). Statistics as to the amount of coal and wood consumed in these works just before this invention will be found in Whitworth, *Advantages of Inland Navigation*, p. x. 89 (table).

¹ Scrivenor, *History of the Iron Trade*, 87.

² See the account of the Devon Iron-works (Clackmannan), in Sir J. Sinclair's *Statistical Account of Scotland* (1795), xiv. 626.

³ Roebuck also had claims to this invention.

and the history of this invention is recounted in the petition in which his son pleaded for a grant from the House of Commons in 1812¹. These last inventions were a great saving of time and labour; but it was the new form of the blast-furnace which had the most remarkable effects on the distribution of the iron trade. While it had been dependent on wood, it had flourished in Sussex and the Forest of Dean; when it became possible to use coal with the help of water-power to create a blast, the industry tended to be located in regions where water-power was available; hence the revival of the South Wales iron-works which had been discontinued long before from want of fuel; the use of coal and water-power gave a new impetus to the works at Cyfartha and Dowlais². The application of steam, however, rendered the iron-masters independent of water-power, and blast-furnaces could be erected wherever the presence of coal and iron rendered it convenient. In Gloucestershire, the supply of fuel from the Forest was readily replaced with coal; but in other cases, and notably in Sussex, the ancient iron-works ceased to be of importance; while enormous new centres of activity and industry were created in parts of Scotland, Wales and the North of England, which had been practically barren before.

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The trade flourished in districts where coal was available,

During the earlier half of the eighteenth century, however, the manufacturers had to be content with wood-charcoal as fuel, and the expense of smelting iron ore was very great. Considerable quantities of pig and bar iron were imported from Sweden, and it appeared that, if smelting could be developed in our own plantations, there would be a distinct saving to the mother country. Soon after the Revolution, an attempt was made to draw on the resources of Ireland. In 1696 and 1697 the duties were removed from bar-iron imported into England from Ireland³; this led to a development of iron smelting in Ireland and a consequent destruction of the Irish forests; though various measures were taken to prevent it, and to promote the planting of trees, they proved utterly ineffective. Not only so, but the exportation of timber to England was permitted on very easy

and manufacturers were no longer dependent on pig-iron from Sweden,

from Ireland,

¹ Scrivenor, 119.

² Scrivenor, 122.

³ 7 and 8 W. III. c. 10, and 8 and 9 W. III. c. 20.

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or the
American
colonies.

terms¹; and as a result the forests of Ireland were absolutely ruined. There was a better prospect of obtaining an ample supply of material from the American plantations, where both iron ore and fuel were found in abundance, and in 1717 the ironmongers and smiths of London and Bristol, who were dependent on imported material from Sweden, petitioned in favour of encouraging the smelting of iron in the American colonies². The condition of the trade was fully discussed in an interesting report in 1737³, when a Committee of the House of Commons reported in favour of discouraging this trade as prejudicial to iron smelting at home⁴. It was maintained, however, that there would be no injurious competition if the colonies were only permitted to prepare pig and bar iron for manufacture in England and this line was taken by the Act of 1750⁵, which allowed the importation of bar-iron from the colonies, duty free, into London⁶, and of pig-iron into any port. At the same time, the use of slitting mills and tilt hammers in the plantations was prohibited; existing works in New England were shut down⁷, and Edmund Quincy failed to obtain permission to erect plant for the manufacture of steel in 1773⁸.

The change
in the pro-
cesses of

(231) The attempt to assist the English hardware trade, by drawing on extraneous sources for the fuel required in

¹ 2 Anne, c. 2 (Irish); Newenham, *op. cit.* 154-5.

² *Commons Journals*, xviii. 691. The Birmingham nailmakers, who had convenient access to the Midland smelting district, petitioned against encouraging the colonists to engage in this business, *ib.* 738, though opinion seems to have been divided, *ib.* 747.

³ *Commons Journals*, xxiii. 109.

⁴ *Ib.* 157.

⁵ 23 G. II. c. 2.

⁶ The discussion broke out again in 1757, when the Bristol manufacturers desired to have access to the same supplies of bar-iron as were available for Londoners. *Commons Journals*, xxvii. 880. The whole discussion is instructive; the iron manufacturers desired to get bar-iron cheap from the colonies, but to secure the subsequent processes of the trade for the support of English hands. They were "men of middling fortunes," but were numerous; the iron-masters, who owned the forges, were large capitalists, and they were opposed to the colonies competing in their trade; and the proprietors of woods objected to the intended development of mining and smelting in the plantations as likely to affect the value of woods in England; they were joined by the tanners, who were interested in procuring the bark of the wood used for smelting. See *The case of the Importation of Bar Iron from our own Colonies* (1756), [Brit. Mus. 1029, c. 15]. Also the answer, entitled *Reflections on the Importation of Bar Iron* (1757), [Brit. Mus. 8229, i. 1].

⁷ Weedon, *Economic and Social History of New England*, 683.

⁸ *Commons Journals*, xxxiv. 98, 147.

preparing the materials, had been resented by the landed interest; but the proprietors in certain districts gained enormously through the development which occurred in the later part of the eighteenth century. The success of the Darbys, in utilising coal instead of wood for the smelting and manufacture of iron, not only gave a new impulse to that trade, but caused an immense increase of coal-mining, and occasioned the introduction of better facilities for internal intercourse. The coal trade had been growing, but was still of a limited character; the only fields, which had been hitherto worked on a large scale¹, were those of Newcastle, as the product of these mines could be easily shipped. Throughout the seventeenth century there had been a considerable and growing export trade. Much of the traffic was to foreign parts², but a very large trade with London³ was also springing up. The city had come to rely so much on this supply of fuel, as to feel considerable inconvenience from the interruption of the coaling trade which occurred during the Civil War⁴. There was some uncertainty, even under ordinary circumstances, since the heavily laden colliers⁵ were greatly exposed to storm. Defoe tells a story of more than two hundred sail of vessels, mostly colliers, with a thousand lives, which were lost in one storm off the Norfolk coast⁶. The vessels were also in danger of attack from pirates⁷. We hear of other difficulties, many of which were due to the action of the Hostmen of Newcastle⁸; this fraternity had been incorporated by Queen Elizabeth, for the loading and disposing of pit coals upon the Tyne⁹. The exclusive privileges of these

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iron manu-
facture
stimulated
the coal
trade,

which had
been
growing
through the
demand for
fuel in
London.

¹ Mining on a small scale had been carried on in Yorkshire from time immemorial. The Halifax coal-field is mentioned in the Wakefield Court Rolls in 1308. For many references to Yorkshire mining, see Mr Lister's article in *Old Yorkshire*, II. series, edited by Wheeler (1885), p. 269. On the arrangements made for the purchase and supply of coal in Dublin, see Gross, *Gild Merchant*, I. 187, II. 66 f.

² *Reports*, 1871, XVIII. 826.

³ Petty writes of the consumption of coal in houses as a new thing. *Political Arithmetic* (1699), p. 259; Macpherson, II. 580.

⁴ See *coale, Charcoale and Small coale* (1643), quoted in *Reports*, 1871, XVIII. 826.

⁵ These belonged partly to Newcastle Merchants and partly to those of Lynn (Defoe, *Tour* (1748), I. 76), and of Yarmouth (*ib.* I. 66).

⁶ Defoe, *Tour*, I. 71.

⁷ *Commons Journals*, x. p. 491, 2 Dec. 1690; Brand, *Newcastle*, II. 800.

⁸ For complaints in 1604, see *Rep. Hist. MSS. Comm.* VI. Ap. 311.

⁹ Brand, II. 271.

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Hostmen were a matter of frequent complaint; while, on the other hand, the Hostmen urged that the action of the Government in pressing keel-men for the fleet caused a serious interruption to the trade¹. Like other lines of commerce at this period, this trade became more and more open²; the charter of the Hostmen was not renewed after 1679, though they were an influential body of traders.

*New enter-
prise was
shown in
mining*

With the growing demand for coals³ we see signs of increased enterprise in carrying on mining operations. Gray asserts that as early as 1649⁴ some "South Gentlemen hath,

¹ Brand, *op. cit.* ii. 800. All these obstacles must have tended to keep up the price of coal in London; the complaints on this head are of frequent recurrence; C. Povey attributed the evil to the desperate competition among dealers and consequent fraud and oppression (*The Unhappiness of England as to its Trade by Sea and Land*, 28); see also *State Papers, Treasury*, 1708—1714, cxli. 2. A considerable number of petitions were presented in 1731 (Brand, ii. 806); and during the frost of 1740, the House of Commons addressed the Crown in favour of enforcing the law about regulating the price of coals (*Parl. Hist.* xi. 435).

² The chief struggle over the privileges of the Newcastle men took place in the time of Cromwell. This town possessed very special privileges under a charter granted by Queen Elizabeth in 1601, and these had been specially preserved in the Act of 1624. With these powers the old companies had all come to the front again, and they were brought into bitter hostility with the neighbouring town of Shields. The chief assertor of the common law rights, in opposition to special privileges, was a brewer named Ralph Gardner, who certainly underwent great personal sacrifices in the cause, and brought startling allegations against the Newcastle men for the way they exercised their powers. He asserts that the action of the burgesses from 1642 to 1644 "caused coals to be four pound a chaldron, and salt four pound the weigh, the poor inhabitants forced to flee the country, others to quarter all armies upon free quarter; heavy taxes to them all, both English, Scots and Garrisons; plundered of all they had; land lying waste; coal-pits drowned; salt-works broken down; hay and corn burnt; town pulled down; mens wives carried away by the unsatiable Scots and abused; all being occasioned by that corporations disaffection; and yet to tyrannize as is hereafter mentioned." *England's Grievance Discovered*. Address to the Reader. The reply of the Corporation, who were represented in London by Mr S. Hartlib, has been printed from a MS. of Alderman Hornby's on *Conservatorship of Tyne* in Richardson, *Reprints of Rare Tracts*, iii. p. 35. Many of Gardner's accusations are met by a simple denial of the alleged facts; in regard to the conservancy of the river, the most serious question, the Corporations said that they had acted on the advice of the authorities of the Trinity House, p. 62. They claimed to retain special privileges on political grounds, however, as their town was a defence against the Scots. One of their trade corporations, the Hostmen, paid £8000 a year to the public treasury and might well expect their privileges to be protected, pp. 43, 44.

³ As in other trades which looked to a distant market, there were occasional fluctuations, with consequent difficulties between employers and employed, especially in 1740 (Brand, *op. cit.* ii. 807, 809), and 1765. (Macpherson, iii. 420.)

⁴ Gray, *Chorographia*, 25.

upon great hope of benefit, come into this Country to hazard their monies in Coale-Pits. Master Beaumont, a Gentleman of great ingenuity, and rare parts, adventured into our Mines with his thirty thousand pounds; who brought with him many rare Engines, not known then in these parts, as the Art to Boore with, Iron Rodds, to try the deepnesse and thicknesse of the Coale, rare Engines to draw Water out of the Pits; Waggon with one Horse to carry down Coales from the Pits, to the Stathes, to the River etc. Within few years, he consumed all his money and Rode home upon his Light Horse." Early in the seventeenth century, Lindsay, the father of the first Earl of Balcarres, obtained a patent for an engine for pumping water out of mines¹. Fire engines were apparently in use for this purpose in the middle of the eighteenth century², and an improved pump is mentioned in 1778³. Brand notes an important invention in 1753, when Michael Menzies devised a machine for raising the coal by balancing it against a bucket of water, and effected a considerable saving in labour⁴.

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and in the
intro-
duction of
pumping
and other
appliances.

A fresh impetus was given to this growing trade, when the smelting and working iron, with this form of fuel, became

¹ Arnot, *Hist. of Edinburgh*, 67, note.

² They were used for pumping water from tin and copper mines in 1741 (14 Geo. II. c. 41).

³ It is not a little curious to find that the prospective expansion of coal-mining, to meet the requirements of the iron-trade, was the cause of some little anxiety in Scotland. It was said that the demand due to blast furnaces would be so great as to raise miners' wages enormously, and thus enhance the price of coal used for domestic purposes. The argument seems to assume that colliers were a special class and could not be readily recruited from outside, which was of course, to a great extent, true. (See p. 581 below.) "Five blast furnaces will require 262 colliers and miners; formerly employed in preparing collieries for work, or in working coals for the domestic consumption of the inhabitants of Scotland. This evil is only beginning to be felt, it being certain, from the present high price and great demand for cast iron, * * that twenty additional blast furnaces will be erected in Scotland within the space of ten years from the present date, requiring a supply of 2,048 colliers and miners. This supply of hands must either be drawn from the collieries now working coal for the consumption of the inhabitants of Scotland,—in which case coal will increase in price above any calculation now possible to be made;—or, erectors of ironworks must be compelled to breed hands for their works, by being prohibited * * from employing any colliers now employed at the collieries." *Reports*, etc. 1871, xviii. 847.

⁴ One man and the machine could do the work of three shifts of two horses each driven by two boys. Brand, *op. cit.* ii. 808. See also a *Treatise upon Coal Mines*, 1769 [Brit. Mus. 117. n. 28] p. 100.

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—1776.

*In the
Newcastle
district the
employers
organised
a system
for con-
trolling the
output*

a practical success; not only were new fields opened up but the old mines were worked more vigorously than before¹. The development of the trade and its fluctuations gave rise to a curious system of combination among the great capitalists for the regulation of the out-put; the trade was deliberately organised in the Newcastle district with the view of giving a regular and steady return to all the capital invested in this employment throughout the district.

The 'vend' was an agreement among the Newcastle coal-owners which has curious analogies with the stint² of the Merchant Adventurers; it appears to have taken very definite shape about the year 1786. The object apparently was to give the owners of mines, which yielded inferior sorts of coal, a chance. The shipowners preferred to load the best sorts of coal; and if there had been no regulation, the whole trade would have been monopolised by a few collieries which yielded the best qualities, and other owners would be ruined. This result, as was argued in 1800, would not really benefit the public³, since the few high-class mines that were left would be able to charge what they liked for coals. It thus came about that the 'vend' was organised; it was an agreement which was officially described in 1830. A committee was formed to represent the different collieries, and "the Proprietors of the best Coals are called upon to name the price at which they intend to sell their Coals for the succeeding twelve months; according to this price, the remaining Proprietors fix their prices; this being accomplished, each Colliery is requested to send in a Statement of the different sorts of Coals they raise, and the powers of the Colliery; that is, the quantity that each particular Colliery could raise at full work;

¹ The Commissioners of 1871 estimated it as follows (*Reports, etc.*, 1871, xviii. 852):

1660	.	.	.	.	.	2,148,000 tons.
1700	.	.	.	.	.	2,612,000 "
1750	.	.	.	.	.	4,773,828 "
1770	.	.	.	.	.	6,205,400 "
1790	.	.	.	.	.	7,618,728 "
1795	.	.	.	.	.	10,080,300 "

² See above, p. 220. A similar arrangement existed among the Hostmen with regard to the shipment of coals in 1602. Brand, ii. 278 n.

³ See the evidence of the Town Clerk of Newcastle, *Reports from Committees of House of Commons, Misc. Subjects*, 1785—1800, x. 544.

and upon these Statements the Committee, assuming an ^{A.D. 1699} imaginary basis, fix the relative proportions, as to quantity, ^{-1776.} between all the Collieries, which proportions are observed, whatever quantity the Markets may demand. The Committees then meet once a month, and according to the ^{from each} probable demand of the ensuing month, they issue so much ^{colliery,} per 1,000 to the different collieries; that is, if they give me an imaginary basis of 30,000 and my neighbour 20,000, according to the quality of our Coal and our power of raising them in the monthly quantity; if they issue 100 to the 1000, I raise and sell 3000 during the month, and my neighbour 2000; but in fixing the relative quantities, if we take 800,000 chaldrons as the probable demand of the different markets for the year; if the markets should require more, an increased quantity would be given out monthly, so as to raise the annual quantity to meet that demand, were it double the original quantity assumed¹."

It was possible to argue that the vend was an arrangement which merely secured a reasonable price, and that, while it benefited the producers as a body, it did not entail ultimate loss on the consumers². But the relations which ^{and the} existed, in some parts of the country, between the coal- ^{miners in} owners and the labourers were much less defensible. It ^{Scotland} was important to the employer to be able to command the regular and constant service of a number of labourers, and customs grew up³ by which the miners were just as definitely astricted to particular mines as villeins had been to particular estates in the middle ages. This custom was specially noticeable in Scotland; an Act was passed with the view of breaking it down in 1775⁴, but apparently with little success, for farther legislation was necessary in 1799⁵. The bondsmen ^{were} were born in a state of subjection, and an attempt was ^{bondsmen,} first made to free them gradually; but many of them failed to take advantage of the opportunity, while others became

¹ *Reports, etc.*, 1830, viii. 6.

² Especially as the arrangement only held good in the Newcastle district which was exposed to competition from other fields. *Ib.* 1830, viii. 17.

³ Cosmo Innes considers it was not a vestige of mediæval serfdom. *Sketches of Early Scotch History*, 499; May, *Constitutional History*, iii. 88.

⁴ 15 Geo. III. c. 28.

⁵ 39 Geo. III. c. 56.

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*in personal
subjection
to their
masters.*

deeply indebted to their masters, and thus sank to a position of absolute dependence¹. In other cases the system of apprenticeship operated so as to produce similar results. "Here," said the commissioners in Staffordshire, in 1842, "is a slavery in the middle of England as reprehensible as ever was the slavery in the West Indies, which justice and humanity alike demand should no longer be endured²." The publicity thus given appears to have been of advantage³, and a considerable improvement took place within the next few years.

*The im-
provement
of internal
water com-
munication*

232. The increased demand for coal as fuel and the prospect of opening up new beds so as to obtain a profitable return was the direct motive for the first serious attempt to improve internal communication by water. The Duke of Bridgewater, with the help of James Brindley, embarked on a great scheme for connecting Worsley with Manchester by a canal, so as to effect a saving in the cost of carting coal from his pits to the growing city. The success which attended his achievement led to its being imitated in many other places, with the result that in the course of a few years England was covered with a net-work of canals.

*had often
been
projected,*

The fact that it was possible to sink money in such large and expensive undertakings is in itself an indication that capital was more readily available. Many of the schemes which were now carried out had been mooted more than a hundred years before⁴. In Holland the facilities for water communication were obvious to every passing traveller, and an immense amount had been done under Henri IV. to improve the rivers and construct canals in France⁵. There were plenty of models for Englishmen to copy; but they had not the means of effecting such costly improvements. Yarranton was a writer who argued that the problem of providing an adequate food supply for London and other

¹ 89 Geo. III. c. 56, § 5. This measure seems to have proved effective. *Reports, etc.*, 1844, xvi. 9.

² *Reports, etc.*, 1842, xv. 54, printed pag. 42.

³ *Reports*, 1844, xvi. 56.

⁴ See the third instruction to the Commission of 1650. *Parl. or Const. Hist.* xix. 315. Also 16 and 17 Charles II. cc. 6, 11, 12 (private).

⁵ Fagniez, *Economie sociale de la France sous Henri IV.*, p. 188.

large towns could be most easily solved by giving new facilities for internal traffic; he urged that the rivers might be utilised for the conveyance of corn. He suggested that great granaries should be built by the London Companies near Oxford, and that the navigation of the Cherwell and Thames might be improved so as to render the conveyance of corn from them very easy¹. He would have erected similar granaries at Stratford-on-Avon², from which the towns in the Severn valley might be supplied. There were also attempts to utilise the Wye in a similar fashion³, as well as to connect the Severn and the Thames by a canal at Lechlade⁴. Charles II., who had seen many things on his travels, was much interested in these schemes, as well as in the proposal to render the Medway navigable, with the view of conveying the timber of the Wealds of Kent and Sussex for the use of the Royal Navy⁵. During the seventeenth century, when the products of the surface of the land were the only goods for which internal transport was required, these schemes seemed impracticable; but in the eighteenth the increasing traffic in coal promised to be remunerative, and capital was available in large quantities for attempting to carry out these costly undertakings. It was the Duke of Bridgewater who, by his enterprise, demonstrated to the English public the possibility of success.

His first canal, from Worsley to Manchester, was only eleven miles long, but it presented formidable engineering difficulties. Tunnelling was necessary to get access to the pits at a convenient level⁶; and the promoters determined to attempt to construct an aqueduct over the River Irwell. This was very desirable for the sake of convenience in working the canal; though it was generally regarded as an impossible feat; but Brindley's skill in the choice and use of materials enabled him to solve the difficulty⁷. In 1761,

¹ Yarranton, *England's Improvement*, 180.

² *Ib.* 163.

³ Act for making navigable the Wye, passed June 26, 1651, not printed by Scobell though mentioned by him.

⁴ Phillips, *Inland Navigation*, 210.

⁵ On the difficulties of conveying timber, see Defoe, *Tour* (1724), Vol. I. Letter II. p. 59. The project of 16 and 17 C. II. c. 11 (private) as revived by 13 Geo. II. c. 26 is described in the edition of 1748, I. 204.

⁶ Smiles, *Lives of Engineers*, I. 857.

⁷ *Ib.* I. 858.

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for
conveying
corn,

and the new
demand for
coal gave
better
prospects
of profit.

The Duke
of Bridge-
water con-
structed a
canal from
Worsley to
Manchester
with his
own
resources,

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and from
Manchester
to Runcorn
through the
help of
London
Bankers,

so soon as the success of this first expedient was ensured, the Duke employed Brindley to construct a long branch to connect the original canal with the Mersey at Runcorn, and thus to open up improved water communication between Liverpool and Manchester. This was a more ambitious scheme; it roused more open hostility¹, and the attempt to carry it through, entirely exhausted the Duke's resources and his credit in Manchester². London Bankers, however, took

¹ The nature of the opposition may be understood from the following suggestion by Richard Whitworth, who was a great enthusiast for canals, and tried to promote an alternative to Brindley's Grand Canal (*The Advantages of Inland Navigation*, by R. Whitworth, 1766, 29). "It has been a common objection against navigable canals in this kingdom, that numbers of people are supported by land carriage, and that navigable canals will be their ruin; and it has as often been said, to remedy that inconvenience, that those people may take to other trades, and turn either farmers or navigators; and instead of driving the waggon they may learn to steer and navigate a boat, which, in time of war, may turn to the advantage of the navy, or merchants service (upon both which most of our learned authors agree that our safety depends); but I, more supple to the inclinations of my fellow countrymen, am unwilling to unbend the crooked finger, or straighten the almost distorted joint, inured to tally with the stroke of its accustomed trade, and at his old age deprive him of the art of his employment, and leave him in his second childhood to begin the world again: and as the land carriage is chiefly carried on from trading towns and their neighbourhood, I must advance a very uncommon alternative, which would free the carrier from any fear of losing his employment or selling off his stock of horses, viz.—That no main trunk of a navigable canal ought reasonably to be carried nearer than within four miles of any great manufacturing and trading town, considering the present state and situation of affairs, and the proprietors of blending the landed with the commercial interest; which distance from the canal is sufficient to maintain the same number of carriers, and employ almost the same number of horses, as usual, to convey the goods down the canal, in order to go to the seaports for exportation. When any person considers the advantage of this nation, they must consider that of every individual, and see that one is not burdened in order to unburthen another; I therefore have produced this uncommon argument and favour the landed, as well as the commercial interest, which I think proves, considering both interests together, that it is not for the benefit of every individual in a trading city, to have the navigable canal come close to their town, but that the same should be at a proper distance about four miles, so that each trade may still have some employ, those that carry the goods and merchandize, as well as those that manufacture them: there is no doubt but the person who manufactures the goods might afford to export them to foreign markets much cheaper by having the navigable canal come close to him, but then we must consider all parties when we talk of trade, and not let the carriers starve while the traders and manufacturers ride in their coach and six, exulting over their dejected distressed brethren and fellow creatures. If a manufacturer can have a certain conveniency of sending his goods by water carriage within four miles of his own home, surely that is sufficient, and profit enough; considering that other people must thrive as well as himself; and a proportion of profit to each trade should be the biasing and
* leading policy of this nation."

² Smiles, *op. cit.* i. 396.

a more favourable view of the situation, and Messrs Child, ^{A.D. 1689} by successive advances which amounted in all to £25,000¹, ^{—1776.} enabled him to complete this second undertaking.

Brindley was next employed upon the Grand Junction canal, which was eagerly promoted by the Wedgwoods. For certain branches of the pottery manufacture, materials were required which had to be brought considerable distances—flints from the Eastern Counties and clay from Devonshire and Cornwall². Several of the leading proprietors in Cheshire and Staffordshire were eager to carry out a scheme for opening up their estates by making a water-way, which should start from the Duke's canal near Runcorn on the Mersey, and connect with the Trent at Wilne, near Derby, and also with the Severn at Stourport. It more than realised the most sanguine expectations, as it reduced the cost of carriage to about one-fourth of what it had been³. Cheshire salt could be manufactured on a much larger scale, and the Potteries benefited enormously, not only by the improved means of obtaining materials, but by the increased facilities for the safe transport of brittle wares.

The development of internal navigation was of immense importance to manufactures of every kind⁴, but it also gave an incentive to agricultural improvement; it was possible to convey produce to more distant and better markets⁵. This kind of advantage accrued, in an even greater degree, through successful efforts to rescue the roads of the country from the frightful state of disrepair into which they had been allowed to fall in the later middle ages. Till the time of Philip and Mary, the maintenance of the roads had been for the most part a matter of private benevolence, and during the fifteenth and sixteenth centuries, they appear to have decayed. In the time of Philip and Mary, parish surveyors⁶ were instituted, whose business it was to enforce the necessary labour from each parish. The justices had power to punish the neglect of surveyors and to assess the

and the scheme of the Grand Junction Canal was eagerly taken up.

The roads of the kingdom had been allowed to fall into disrepair

despite the efforts of parish surveyors

¹ Smiles, *op. cit.* i. 398.

² *Id.*, *op. cit.* i. 425.

³ *Id.*, *op. cit.* i. 447.

⁴ Whitworth (*op. cit.* p. 86) gives an interesting account of the local manufactures which would benefit by his proposed canal.

⁵ *Id.*, *op. cit.* p. 81.

⁶ 2 and 3 Philip and Mary, c. 8. The Bedfordshire Quarter Sessions Records, 1650—1660 have frequent complaints of parishes not appointing surveyors. See also Atkinson, *Yorkshire Quarter Sessions Records*.

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—1776.

to enforce
statute
duty,

but turn-
pike roads
were better
main-
tained.

parishes, but the machinery was too cumbersome to be very effective. The 'statute duty,' which could be required from the parishioners, was perfunctorily performed, since there was not sufficient difference between the calls on large and small farmers and on large and small householders. It seemed that the most equitable system would be that "every Person ought to contribute to the Repair of Roads in Proportion to the Use they make of, or the Convenience which they receive from them¹." With the view of carrying out this principle on the main lines of through traffic, turnpikes were erected and tolls² levied on certain highways, under the authority of special Acts. Precautions were also taken against injury to the roads from very heavy weights, or badly constructed waggons³; when the wheels were so arranged as to follow one another in the same track, vehicles were freed from half the usual tolls⁴. Though improvement occurred on the highways for which special Acts had been procured, the parish roads were not equally well cared for. Under these circumstances we can well understand that there should have been a great variety in the condition of the different roads; and that some should have been left in a very dangerous condition, while others were fairly good. It was in 1773 that a general measure was passed, which rendered it possible to bring all the highways of the kingdom⁵ into the same sort of repair as had been obtained by the various bodies of commissioners for turnpike roads.

That the evil was not cured immediately and that many roads were allowed to remain in a desperate condition is clear enough from the complaints made by Arthur Young⁶:

¹ Homer, *Enquiry into the Publick Roads*, p. 18.

² Arthur Young, *Southern Tour*, 187, 161.

³ 5 Geo. I. c. 12; 1 Geo. II. c. 11; 14 Geo. II. c. 42.

⁴ 5 Geo. III. c. 88.

⁵ 13 Geo. III. c. 78.

⁶ "Of all the roads that ever disgraced this kingdom, in the very ages of barbarism none ever equalled that from Bellericay to the King's Head at Tilbury. It is for near 12 miles so narrow, that a mouse cannot pass by any carriage, I saw a fellow creep under his waggon to assist me to lift if possible my chaise over a hedge. The rutts are of an incredible depth....The trees everywhere overgrow the road, so that it is totally impervious to the sun, except at a few places: And to add to all the infamous circumstances, which concur to plague a traveller, I must not forget eternally meeting with chalk-waggons; themselves frequently stuck fast, till a collection of them are in the same situation, that twenty or thirty horses may

but at the very date of his travels another observer was able ^{A.D. 1689}
to congratulate his countrymen on the immense improve-
ment that had taken place in the preceding half century. —1776.

Henry Homer regarded the state of the roads and difficulties ^{In the time}
of internal communication as one of the chief reasons for the ^{of Queen}
backward state of the country in the time of Queen Anne. ^{Anna}

"The Trade of the Kingdom languished under these Impediments. Few People cared to encounter the Difficulties, which attended the Conveyance of Goods from the Places where they were manufactured, to the Markets, where they were to be disposed of. And those, who undertook this Business, were only enabled to carry it on in the Wintry-Season on Horseback, or, if in Carriages, by winding Deviations from the regular Tracks, which the open country afforded them an Opportunity of making. Thus the very same Cause, which was injurious to Trade, laid waste also ^{the state of}
a considerable Part of our Lands. The natural Produce of ^{the roads}
the Country was with Difficulty circulated to supply the ^{hampered}
Necessities of those Counties and trading Towns, which ^{of trade}
wanted, and to dispose of the superfluity of others which abounded. Except in a few Summer-Months, it was an almost impracticable Attempt to carry very considerable Quantities of it to remote Places. Hence the Consumption of the Growth of Grain as well as of the inexhaustible Stores of Fuel, which Nature has lavished upon particular Parts of our Island, was limited to the Neighbourhood of those Places which produced them; and made them, comparatively speaking, of little value to what they would have been, had the Participation of them been more enlarged.

"To the Operation of the same Cause must also be ^{and agri-}
attributed, in great Measure, the slow Progress which was ^{culture,}
formerly made in the Improvement of Agriculture. Discouraged by the Expence of procuring Manure, and the uncertain Returns, which arose from such confined Markets, the Farmer wanted both Spirit and Ability to exert himself in the Cultivation of his Lands. On this Account Undertakings in Husbandry were then generally small, calculated

be tasked to each to draw them out one by one." *Southern Tour*, p. 88. A mass of evidence as to the state of the roads in the eighteenth century will be found in W. C. Sydney, *England in the Eighteenth Century*, II. 1—48.

A.D. 1689
—1776.

rather to be a Means of Subsistence to particular Families, than a Source of Wealth to the Publick. Almost every Estate was incumbered with a great Quantity of Buildings, to adapt them to the convenience of the Occupiers. The clear Emolument resulting from them both to the Proprietors and Tenants was far more inconsiderable than what has accrued from the more extended Plan, upon which that Branch of Business is now conducted.

*but the
eighteenth
century
proprietors
were
sufficiently
public
spirited*

“The great Obstruction to the Reformation, which has been accomplished, was founded upon a Principle adopted by Gentlemen of Property in the Country, which Experience has since proved to be as erroneous as it was selfish; viz., that it would be injurious to their Tenants to render the Markets in their Neighbourhood more accessible to distant Farmers, and consequently a Diminution of their own Estates. It ought for ever to be recorded to the Honour of the present Century, that it was the first which produced publick Spirit enough to renounce that Prejudice, and by this Circumstance only to have given as it were a new Birth to the Genius of this Island. It is owing to the Alteration, which has taken Place in consequence thereof, that we are now released from treading the cautious Steps of our Forefathers, and that our very Carriages travel with almost winged Expedition between every Town of Consequence in the Kingdom and the Metropolis. By this, as well as the yet more valuable Project of increasing inland Navigation, a Facility of Communication is soon likely to be established from every Part of the Island to the sea, and from the several Places in it to each other. Trade is no longer fettered by the Embarrassments, which unavoidably attended our former Situation. Dispatch, which is the very Life and Soul of Business, becomes daily more attainable by the free Circulation opening in every Channel, which is adapted to it. Merchandise and Manufactures find a ready Conveyance to the Markets. The natural Blessings of the Island are shared by the Inhabitants with a more equal Hand. The Constitution itself acquires Firmness by the Stability and Increase both of Trade and Wealth, which are the Nerves and Sinews of it.

"In Consequence of all this, the Demand for the Produce of the Lands is increased; the Lands themselves advance proportionably both in their annual Value, and in the Number of Years-purchase for which they are sold, according to such Value. Nor does there appear to have arisen even any local Injury to particular Estates by this Change of Circumstances; though if there did, they ought to submit to it from the greater Advantage resulting to the Publick; but they are yet more valuable as their Situation is nearer to the trading Towns, and as the Number of Inhabitants in such Towns is enlarged by the Increase of Trade.

"There never was a more astonishing Revolution accomplished in the internal System of any Country than has been within the Compass of a few years in that of England. The Carriage of Grain, Coals, Merchandize, etc., is in general conducted with little more than half the Number of Horses with which it formerly was. Journies of Business are performed with more than double Expedition. Improvements in Agriculture keep pace with those of Trade. Everything wears the Face of Dispatch; every Article of our Produce becomes more valuable; and the Hinge, upon which all these Movements turn, is the Reformation which has been made in our Publick Roads'."

There is ample evidence to confirm this account of the improvements. It may be inferred from the increasing practice of keeping carriages; hackney carriages were brought down from London to ply between Cambridge and Stourbridge Fair¹; and it could hardly have been worth while to bring these vehicles for a few days, if the roads had been everywhere of a very defective character. It is not always easy to judge how far the existence of internal trade implied that good roads were available. Corn was usually taken in bags on horses, though waggon²s were also used³, and bulky goods were conveyed as far as possible by water⁴; but

¹ Homer, *An Enquiry into the Means of Preserving the Publick Roads* (1767), 4.

² Defoe (1748), i. 97.

³ *Ib.* 229; Arthur Young, *Farmer's Letters*, 190.

⁴ Manchester goods were brought to Stourbridge Fair in horse packs; similar goods were taken from Essex to London in waggons. Defoe's *Tour*, i. 94, 118.

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—1776.

it appears that live geese were brought from the Fens to the London market in large two-horse carts, arranged with four stages, which took them a hundred miles to market in two days and a night¹; and it is difficult to understand how such quantities of Scotch cattle could be driven to the Norfolk and Suffolk marshes² unless there was fairly good going.

XVI. SPIRITED PROPRIETORS AND SUBSTANTIAL TENANTS.

*The Whigs
endeavour-
ed to pro-
mote tillage*

233. The fostering of industry was the fundamental principle in the economic policy of the Whigs; they were chiefly concerned in trying to develop existing and to plant new manufactures. But they did not forget that agriculture was by far the most important of all English employments, and that a very large proportion of the population was engaged in tillage. The party which came into power after the Revolution was eager to promote the interests of the farmers³, and formulated a scheme, which was entirely consonant with accepted maxims, for achieving this result.

*not merely
by protect-
ing the
English
farmer
in the home
market,*

The Court Party at the Restoration had given a large measure of protection to English producers of food stuffs⁴. English agriculturists, as well as English fishermen⁵, were secured by prohibitive tariffs against colonial competition in the home market. But this did not satisfy those who were looking further afield, with the view of not only meeting the requirements of their countrymen, but of catering for foreign consumers as well⁶. In 1663 the conditions as to time and price, on which the export of corn was permitted, were relaxed⁷; and an attempt was made by the Whigs to remove the export duty in 1677. This would have meant a reduction of royal revenue, and it was resisted by the

¹ Defoe's *Tour*, i. 54.

² *Ib.* i. 83.

³ Colbert recognised the desirability of taking this course, but he did not pursue it systematically, Clément, *Histoire de Colbert*, i. 365, ii. 49.

⁴ High rates were levied on the importation of corn by 12 C. II. c. 4 and 22 C. II. c. 18, *An Act for the Improvement of Tillage and the Breed of Cattle*.

⁵ 12 C. II. c. 18, § 5.

⁶ Davenant, *Works*, v. 424.

⁷ 15 C. II. c. 7. Steps had been taken to give more scope for the export of cereals and other agricultural produce under Cromwell. *Calendar S. P. D.* 1656-7, p. 174; Whitelock, *Memorials*, iv. 282.

Tories¹; but the opinion gained ground in favour of not only protecting but of stimulating agriculture, and the desirability of granting a premium on export was suggested in 1688². This expedient was adopted in 1689, and a bounty was given on the export when the price ranged below 48s.³; this was continued, with suspensions in the four famine years of 1698, 1709, 1740, 1757⁴. The result of this measure was very remarkable; from this time onwards corn was treated as a commodity to be grown for export. This policy was almost exclusively English⁵, but it had been pursued, at least occasionally, in this country since the agricultural depression of the fifteenth century⁶. The result which followed was twofold; first, the landed interest was so far relieved from loss by low prices, in the case of a plentiful harvest, that there was a distinct inducement to invest capital in the land; and secondly, by encouraging such extensive production of corn there was some security that the food supply of the people would not be deficient. By promoting the growth of corn, to serve as a commodity for export in favourable seasons, a motive was brought into play for growing as much as would meet the home consumption in unfavourable years. The ulterior political aim⁷ of this measure was clear; it was intended to render agriculture more profitable, and so to bring about a rise of rents. By far the larger share of the taxation of the country fell on the landed gentry⁸. The Tories aimed at diverting this burden to other shoulders; but the Whigs schemed to foster the agricultural interest, so that the

A.D. 1689
—1776.

but by
giving a
bounty on
the export
of corn,

and thus
enabling
the landed
gentry
to bear
taxation.

¹ B. Faber, *Die Entstehung des Agrarschutzes in England*, 111. ² *Ib.* 118.

³ William and Mary, i. c. 12, *An Act for the Encouraging the Exportation of Corn*. As Faber points out, Dalrymple's assertion (*Memoirs*, pt. ii. 74) that the measure was passed in order to disarm Tory opposition to an increased Land Tax is not well founded. B. Faber, *Die Entstehung des Agrarschutzes*, 112.

⁴ C. Smith, *Three Tracts*, 78.

⁵ Faber, *op. cit.* 2.

⁶ Vol. i. p. 447.

⁷ The improvement of agriculture also afforded a commodity for export and increased the employment of shipping. N. Forster, *Enquiry into the Causes of the present high price of Provisions* (1767), p. 70. Dr Johnson, *Considerations of the Corn Laws*, in *Works*, v. 821.

⁸ According to Locke this was inevitable in any scheme of taxation. *Considerations of the Lowering of Interest*, in *Works*, iv. 57. See p. 426 above, also 839 below.

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—1776.

landed men might be able to make these large contributions to the expenses of government, both local and national.

*The
wealthy
land-
owners
of the
eighteenth
century*

The Whig scheme for the economic development of the country did not merely appeal to the moneyed men, whether merchants or manufacturers, but to the landed proprietors¹, in so far as they were ready and willing to devote themselves to the improvement of their estates. The sinking of money in land, with the view of obtaining a regular return by an increased rental, had been recognised as a sound form of business enterprise in Elizabethan and Jacobean times. The spirited proprietors of the eighteenth century were not content, however, with occasional and permanent works, but busied themselves about changing the practice of ordinary farming operations for the better. Whether from lack of energy or lack of security, the tenants do not seem to have done much in this direction at first. The great advance in the management and working of land, which occurred during the eighteenth century, was due to the landlords and was initiated under the influence of men of wealth. In carrying out these improvements they had to contend, not only with the difficulties which were due to deficiency of knowledge, since scientific agriculture did not exist, but with the time-honoured prejudices of those who had practised traditional methods and who were constitutionally averse to any change².

*were keenly
interested
in new
methods of
cultivation*

¹ The plan adopted under Locke's influence for recoinage in 1696 favoured the landed rather than the moneyed interest at the time. See p. 436 above.

² From the point of view of Norden, a seventeenth century surveyor, the small freeholder was merely obstructive. He writes as follows. *Lord*. "As farre as I can perceive, an observing and painful husband liveth, fareth, and thriveth, as well upon his Farme of ract rent, as many do that are called Freeholders, or that have Leases of great value for small rent. *Surveyor*. There is some reason for it, which every man either seeth not, or seeing it, doth not consider it, or considering it, hath no will or power to reforme it. Some Freeholders, and the Lessees of great things of small rent, bring up their children too nicely, and must needs, forsooth, Gentleize them; and the eldest sonne of a meane man must be a young master, he must not labour, nor lay hand on the plough (take heed of his disgrace), hee shall have ynough to maintaine him like, and in the societie of gentlemen, not like a drudge. And when this young gentleman comes to his land (long he thinke) he hath no leasure to labor, for Hawking or Hunting or Bowling or Ordinaries or some vaine or lascivious or wanton course or other, leaving ploughe and seede and harvest, and sale to some ordinary hireling, who may doe what he list, if the poore wife be as carelesse at home, as the husband is abroad; And at his elbowe he hath perchaunce some vaine persons, that dissuade from covetousnesse and from too much frugalite, and that he needes not to care

The progress of their endeavours has been recorded in many cases by Arthur Young, who watched their proceedings with interest and admiration. To him they were the greatest of patriots, for whom no praise could be too high. They were "spirited cultivators" who managed their land in such a fashion as to deserve "every acknowledgment which a lover of his country can give." He is full of enthusiasm for their experimental farms, new patterns of agricultural implements, and new plans for laying out farm buildings; as well as for the care which they bestowed on the smallest points of land management. Perhaps we may feel that the judgment of a contemporary, who mixed with these men and discussed their successes and failures, was formed on better grounds than that of writers who, at a distance of more than a century, decry the landlords, and gratuitously attribute to them the meanest motives.

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—1776.

and in
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implements
and
buildings,

The progress was initiated by wealthy landlords; but in order to carry out their schemes effectively it was necessary that there should, if possible, be enterprising farmers too. The owners, who were improving their estates, preferred to throw the holdings together, so as to substitute farms of three hundred acres and upwards, for farms of one hundred acres and under. With the possible exception of poultry farming, there was no department of agriculture in which small farms proved more advantageous to the public¹. As the usual calculation appears to have been that the capital requisite, in order to work the land, was at least five pounds an acre,

and the
plans were
carried out
by a new
class of

for getting more, he hath no rent to pay, but some to receive, which will maintaine him; and when he is gone, all is gone; spending is easier then getting. And thus by little and little roweth himself and the hope of his posteritie under water, in the calme weather. Whereas, he, that hath a rent to pay is not idle, neither in hart nor hand; he considers the rent day will come, and in true labour and diligence provides for it, and by his honest endeavours and dutiful regard, gets to pay rent to his Lord * * I inferre not yet by this, Sir, that because they sometimes thrive well, that live upon rackt rents, therefore you Landlords should impose the greater rent or fine; that were to do evill that good might come of it, nay rather to doe evill that evill may followe; for if there be not a meane in burdens, the backe of the strongest Elephant may bee broken. And the best and most carefull and most laborious and most industrious husband may be overcharged with the rent of his Land." *Surveyor's Dialogue*, 80-81, also p. 16. Compare above, p. 107, n. 1.

¹ Arbuthnot, *An Inquiry into the connection between the present price of Provisions and the size of Farms* (1778), p. 21.

A.D. 1689
—1776.

the large farmers were men who could start in life with fifteen hundred or two thousand pounds; and thus we find signs of a middle class in the country, who were capitalists and employers of labour, but who did not themselves own land, and did not engage in the actual work of the farm with their own hands. These men had an advantage over the small farmers, inasmuch as they were able to hold their stocks of corn for a longer period, and get the benefit of a rise of price, whereas the poorest of the small farmers were forced to realise at once, and were compelled to dispose of their whole harvest by Christmas at latest¹. The substantial men were also able to afford better seed, better implements, and to work the land on better principles, and hence they were able to pay a larger rent than the small farmers who stuck to the old-fashioned methods. The rise of an employing class occurred not only in manufacturing occupations, but in agriculture also, and the causes at work were precisely similar. The new facilities for commerce² brought about a development, and led to changes in the character of the system. There was scope in farming for the talents of men with business capacity, such as there had never been before. In the period before the Civil War, when the

substantial tenants,

who could make the new system profitable,

¹ Smith, *Three Tracts*, p. 12.

² Defoe's account of the changes at Chichester was published in 1724. "They are lately fallen into a very particular way of managing the Corn Trade here, which it is said turns very well to account; the country round it is very fruitful and particularly in good Wheat, and the Farmers generally speaking carry'd all their Wheat to Farnham to market, which is very near Forty Miles, by Land Carriages, and from some Parts of the Country more than Forty Miles. But some Money'd Men of Chichester, Emsworth and other places adjacent, have join'd their Stocks together, built large Granaries near the Crook, where the Vessells come up, and here they buy and lay up all the Corn which the Country on that side can spare; and having good Mills in the Neighbourhood, they grind and dress the Corn and send it to London in the Meal about by Long Sea, as they call it: nor now the War is over do they make the Voyage so tedious as to do the Meal any hurt, as at first in the time of War was sometimes the Case for want of Convoys. It is true this is a great lessening to Farnham Market, but that is of no consideration in the Case; for if the Market at London is supply'd the coming by Sea from Chichester is every jot as much a publick good as the encouraging of Farnham Market, which is of itself the greatest Corn-Market in England, London excepted. Notwithstanding all the decrease from this side of the Country this carrying of Meal by Sea met with so just an Encouragement from hence, that it is now practised from several other Places on this Coast, even as far as Shampton." *Tour*, i. Letter ii. p. 70.

Justices of the Peace insisted that those who had stocks of corn should give a preference to local markets, the well-informed producer could not always hope to reap the reward of his enterprise; but the conditions of the corn trade had completely changed before the eighteenth century opened¹. Under the influence of increasing commerce, large amounts of capital were applied to the management of land and the cultivation of the soil, and there was room for the energies of an employing class of tenant farmers.

234. During the seventeenth century² there had been a very decided increase of knowledge as to the best methods of turning the land to good account; and the suggestions which are found in the agricultural treatises of the time appear to have been put in practice to some extent. As in regard to so many other sides of Economic life, Dutch methods were held up as an example³. The people of Holland were not

under the stimulus of expanding commerce.

In the seventeenth century there was much imitation of Dutch methods

¹ In the period after the Restoration the character of the seasons tended to render farming a very uncertain business. There were one or two years of excessive dearth, notably 1661-62, when those who had managed to save their crops would realise unusual prices, but the century was curiously remarkable for the way in which the seasons ran in successive periods, of longer and shorter duration, of good years and of bad years. Good years meant but little remuneration for the farmer, as prices were low; bad years might bring in a profit, or might ruin him altogether. No similar run of seasons has been traced by Professor Thorold Rogers in the three centuries and a half which preceded it; and the eighteenth century presented a remarkable succession of fairly good harvests, followed by a long period of great irregularity. In the seventeenth century only, "the good and bad seasons lie in groups of more or less extent. The fact was recognised in a rough way by the agriculturists of the time" (*Agriculture and Prices*, v. 173). The business of the farmers was accordingly a highly speculative one; it might be profitable, or it might be the reverse.

² This is especially noticeable in the recommendations of the use of various substances for improving the land. Markham refers to the use of marl as it had been understood from very early ages; and Dymock gives a long list of suitable manures which were available in many parts of England, but which were unknown in Flanders (Hartlib's *Legacy*, p. 43); such as chalk, lime, snagg-root, Cornish sea-sand (7 Jas. I. c. 18), ashes, salt, fish, and even woollen rags. The judicious application of these various fertilisers was an art that seemed to be but little understood, and there are a whole series of writers who dwell upon the advantages which may accrue from the proper use of marl and lime (Blith, *The English Improver or a new Survey of Husbandry*, 60; Platt, *Jewell House*, Part II. *Diverse new sorts of Soyle*, 21; Markham, *Farewell to Husbandry*, 32).

³ The Dutch were noted for their horticulture, and there is every reason to believe that, under the guidance of the seventeenth century writers on rural affairs, a great improvement took place in English gardening. See Worlidge, *Systema Agriculturae*, 164. Compare also *Adam armed*; an essay presented by the Gardeners' Company which was chartered in 1606. Serious efforts were made under

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of raising
stock and
dairy
farming.

much given to the growing of cereals, but they were adepts in cattle-breeding and dairy farming. Englishmen were much impressed with the desirability of imitating them, by growing root crops and artificial grasses, so as to have better means for feeding stock during winter¹. During the preceding century, grazing had been restricted; in the seventeenth, efforts were made to promote it with regard to cattle; the very statute, which gives fresh opportunity for the export of corn, is strictly protective against the importation of fat cattle, as it had been found by experience that the English cattle-breeders were suffering from foreign competition²; and a few years later the cattle-farmers of Ireland³ were prohibited from continuing an export trade which was proving very profitable. We may gather from Defoe's *Tour* that English farmers who had devoted themselves to this occupation⁴ were prospering greatly in the earlier half of the eighteenth century⁵, even before the time when Bakewell did so much to improve the breeds of stock of every kind⁶.

Improvements in
tillage
in the
eighteenth
century

It is obvious, however, that improved methods were also being introduced with regard to the cultivation of cereals. Very full information, on the changes which were taking

James I. to introduce the cultivation of mulberry trees, so that the English might be able to provide the raw material for the silk manufacture (Hartlib's *Legacy*, p. 72), a project which was eagerly taken up in France. Fagniez, *op. cit.*

¹ Root crops appear to have been introduced to some extent as a course of husbandry. Weston refers to them (*Discourse of Husbandrie used in Brabant* (1652), p. 25); also Worlidge (*op. cit.* p. 46). Arthur Young had occasion to criticise the manner of growing turnips which had become traditional at the date of his tours; but on the other hand it does not appear that much practical result followed from the recommendation of clover (Weston, *Discourse of Husbandrie*, 11; Hartlib's *Legacy*, 1), sainfoin and lucerne as means of cleaning the fields; the cultivation of these grasses seems to have been one of the distinctive improvements of the eighteenth century.

² 15 Charles II. c. 7, § 13.

³ 18 and 19 Charles II. c. 2, *An Act against importing cattle from Ireland, and other parts beyond the seas.*

⁴ Defoe, *Tour* (1724) (i. Letter i. p. 90), notes the existence of wealthy tenants on the dairy farms of High Suffolk. Some had stock worth £1000 "in Cows only."

⁵ Compare the insertion in Defoe's *Tour* on the improved pasture at Painshill in Surrey (1748), i. 289. This is not in the edition of 1724. The remark on the increase in the value of pasture near Yarmouth (from 5s. to 20s. an acre), is also an insertion. *Ib.* i. 63.

⁶ See below, p. 556 n. 2.

place, has been recorded by Arthur Young, who has left us A.D. 1689
—1776. an inimitable picture of rural England, as he knew it during this period of transition. He was a man of very varied tastes and interests, who had engaged in farming on a small scale. were
recorded
by Arthur
Young, His observations, when making a business journey into Wales through the south of England, excited so much interest among agriculturists that he planned a northern tour, with the express object of gathering information on the state of rural England; he took considerable pains to render his enquiry as complete as possible. He advertised in the newspapers which circulated within the area of his projected tour, and some of his correspondents were able to supply him with accurate statistical information; in other cases, he had to rely on what he could gather in conversation with illiterate farmers, who were suspicious of his motives for prying into their affairs. "My business was so very unusual that some art was requisite to gain intelligence from many farmers, etc., who were startled at the first attack. I found that even a profusion of expense was often necessary to gain the ends I had in view: I was forced to make more than one honest farmer half-drunk, before I could get sober, unprejudiced intelligence¹." The contrast between his own habits of accurate observation and the slovenliness of many of the farmers, is very striking. He asserts that he had the qualifications for his work which came from practical who was
an accurate
observer acquaintance with agriculture; but he adds, "what is of much more consequence towards gaining real experience, I have always kept, from the first day I began, a minute register of my business; insomuch that upon my Suffolk farm, I minuted above three thousand experiments; in every article of culture, expenses, and produce, including, among a great variety of other articles, an accurate comparison of the old and new husbandry, in the production of most vegetables. But in this, I would by no means be thought to arrogate any other than that plodding merit of being industrious and accurate to which any one of the most common genius can attain, if he thinks proper to take the trouble²." His book abounds with figures in which he was at pains to reduce

¹ *Northern Tour*, I. xiii.

² *Ib.* I. ix.

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—1776.

and notes
some inter-
esting sur-
vivals

the curious and complicated local measures to a common standard, for the convenience of his readers it is true, but to the loss of those who are curious in metric systems.

There are, however, many passages in his writings which describe the survival of primitive practices¹. Thus at Boynton, in Yorkshire², he found remains of extensive culture³. He was informed by Sir Digby Legard that the farmer on the wolds of the East Riding "every year has been accustomed to plough up a fresh part of his sheep walk, to take a crop or two, and then let it lie fifteen or twenty years till the natural grass has again formed a kind of turf, but it will sometimes be forty years before the land is completely sodded over. This ruinous practice is but too common; and where it has long prevailed, the farmer seldom has a three-fold increase⁴."

of mediae-
val prac-
tice.

There were other cases where the two-field or three-field system was still in vogue; thus in the neighbourhood of Ecclesfield, in Hallamshire, the usual course was as follows: first fallow, second wheat, third clover, and fourth wheat⁵. This is obviously the two-field system, with the introduction of clover in place of every second fallowing. His comment is a sweeping condemnation of the early middle ages, "This is very bad husbandry." At Beverley⁶ there was a similar modification of the two-field system, with the use of peas in place of clover. He notes the three-field system at Ecclesfield, first fallow, second wheat, third oats, but does not criticise it⁷.

He severely
criticised
thrifless
ploughing,

What, however, roused his strongest condemnation was the extravagance of the ploughing⁸. Near Woburn "they use four or five horses at length in their ploughs, and yet do no more than an acre a day. The reader will not forget

¹ These were genuine survivals. The primitive character of English Agriculture in the seventeenth century, is shown from the nature of the arrangements which were transplanted to New England; see the accounts of common field cultivation, common fencing, herding, etc., in Weedon, *Economic and Social History of New England*, 58. But these practices in the plantations might be to some extent revivals, rather than survivals, since the special conditions of the new country would make reversion to primitive practice advisable.

² *Northern Tour*, II. 7.

³ Vol. I. p. 83.

⁴ *Ib.* II. 14.

⁵ *Ib.* I. 126.

⁶ *Ib.* II. 1.

⁷ *Ib.* I. 126.

⁸ *A six weeks Tour through the Southern Counties*, 298, 300.

the soil being sandy, the requisite team is certainly nearer a single jackass than five horses. This miserable management cannot be too much condemned¹." At Offley, near Hitchin, "they never plough without four horses and two men, and do but an acre a day; this terrible custom, which is such a bane to the profits of husbandry, cannot be too much condemned; for the whole expense (on comparison with the common custom) of tillage might be saved by the farmer if he would adopt the rational method of tillage with a pair of horses, and one man to hold the plough and drive at the same time²." He was, however, by no means a reckless innovator; he was much interested in weighing the relative merits of oxen and horses for ploughing and draught³, and was inclined to question the wisdom of dispensing with oxen⁴.

The raising of peas and beans formed part of the traditional agriculture; near Woburn "they give but one tilth for beans alone, sow them broadcast, never hoe them, but turn in sheep⁵ to feed off the weeds, and reckon three quarters a middling crop" from four bushels sown. "This is an execrable custom, and ought to be exploded by all landlords of the country." In fact, the prevailing evil of the old husbandry was the mass of weeds, which sometimes appear to have got the better of the crop altogether. Thorough ploughing and fallowing did much to clear the land; but it appears that some of the earlier attempts at improvement were most unsatisfactory. Thus the introduction of turnips in the East Riding of Yorkshire seems to have been positively mischievous though "the soil is good turnip land, but," as he continues, "their culture is so wretchedly defective, that I may, without the imputation of a paradox, assert, they had better have let it alone. Very few of them hoe at all, and those who do, execute it in so slovenly a way, that neither the crop nor the land are the least the better for it. With such management, turnips are

¹ *Northern Tour*, I. 41.

² *Ib.* I. 22.

³ *Ib.* I. 169, II. 70, and *Southern Counties*, 151, 203, 212.

⁴ *Northern Tour*, I. 146. He argues for oxen in the *Farmer's Letters*, 166.

⁵ *Northern Tour*, I. 40, 41. Compare the Scotch practice (1785), as described in Alexander's *Notes and Sketches of Northern Rural Life* (1877), 25.

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*and of
turnips.*

by no means beneficial in a course of crops, as they leave the soil so foul that a fallow rather than another crop ought to succeed. The great benefit of turnips is not the mere value of the crop, but the cleaning the land so well as to enable the farmer to cultivate the artificial grasses with profit..... The farmers of this country ought therefore to neglect turnips totally, or cultivate them in the clean-husband-like manner that is practised in many parts of England, of thoroughly pulverizing the land and hoeing them twice or thrice, or as often as necessary, to keep them distinct from each other, and perfectly free from weeds. Turnips would then be found an excellent preparation for barley or oats, and for the artificial grasses sown with them¹." Root crops had been introduced during the seventeenth century, but they were often badly managed; and in some districts the farmers and butchers preferred to raise small and inferior rather than large and good turnips². In such cases the slovenly habits, which characterised the growth of cereals, also affected the green crops that had been much more recently introduced. There were, however, some districts where they were little known and might have been tried with advantage; on the whole, what was needed was the better working of the ground, so as to keep it clear from weeds. In regard to these matters, agricultural science was fairly advanced, but agricultural practice lagged behind.

*He advocated the
introduction of
clover and
rye grass*

On the other hand, little progress had been made anywhere with the cultivation of seeds and the extension of clover and rye grass. Arthur Young is particularly careful to note what success attended attempts to cultivate these grasses and improve pastures³, and he gets quite enthusiastic over the accurate results which were recorded at various experimental farms. He was interested in the increased cultivation of potatoes, carrots, cabbages or anything else; but the growing of artificial grasses was the department in which agricultural science, as distinguished from agricultural practice, made most progress during this century⁴. The

¹ *Northern Tour*, I. 217, 218.

² *Ib.* I. 107.

³ *Northern Tour*, I. 277; II. 287, 248; IV. 149.

⁴ Thorold Rogers, *Six Centuries*, 468.

great principle of the so-called new husbandry was to introduce the cultivation of roots and seeds in such a fashion as to supplement corn-growing. There was no desire to substitute anything else for corn-growing, as pasture-farming had been substituted for arable cultivation in the fifteenth and sixteenth centuries. The point maintained throughout was, that, if careful attention were given to the qualities of the soil, and energy were expended on the working of the land, these root and grass crops might be introduced so as to render unnecessary the fallow shift, every second or third year. Thus, what he commonly recommends, is a course of turnips, barley, clover and wheat, an arrangement which may be said to be a development of alternate cropping and fallowing. He preferred, however, that the land should be two years under clover, which thus gave a five-course husbandry¹. He was, of course, well aware that this rotation of crops would only prove satisfactory where the land was carefully cultivated: in particular if the turnips were not properly tilled, there was reason to fear that the land would never be free from weeds. A great impulse had been given to the introduction of the new husbandry by the example of Jethro Tull, who invented a drill for sowing, and devised a method of cultivating turnips, which was sound in principle², and which he found successful in practice.

In this way, cattle-breeding, which along with dairy farming and poultry farming had been the department in which the small farmers had a special advantage³, came to be an important element in capitalistic land management, and attracted the attention of improvers. Through the Middle Ages, sheep had been chiefly bred for the sake of their wool, and cattle for the sake of their powers of draught as oxen; but in the latter half of the eighteenth century these points were treated as subsidiary, and the breeding of sheep and cattle was pursued with reference to the food supply⁴. Mr Bakewell of Leicester appears to have been the pioneer in both sheep-breeding and cattle-rearing; and he was

¹ *Northern Tour*, i. 165. Turnips, barley, clover (3), and wheat.

² *Horseshoeing Husbandry* (1778).

³ H. Levy, *Entstehung und Rückgang des landwirtschaftlichen Groesbetriebes in England*, 6-10.

⁴ Prothero, *op. cit.* 51.

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specially successful in improving the breed of sheep. During this period, the high price of corn and facilities for feeding stock rendered agricultural improvement profitable, and it also became fashionable. King George III. devoted himself enthusiastically to the concerns of his Windsor farm; he wrote articles which he signed Ralph Robinson, and many of the nobility in different parts of the country followed him in these pursuits¹, and set an example which found many imitators and which proved exceedingly profitable at all events to those who had sufficient capital.

The progress of improvement and enclosure

235. Throughout the seventeenth and eighteenth centuries, the enclosure of common waste and common fields was an outward and visible sign of the progress of improvement in the management of land. The primitive method of laying out the land of the freeholders and tenants as scattered strips in common fields, with pasture rights on the common waste², presented an obstacle to any changes for the better. The existence of common fields, cultivated by common custom was a hindrance to improved husbandry³; and the pasturage on common wastes was often spoiled from lack of better management⁴. When the land was devoted to its most profitable uses, there was an increased food supply, and a much larger fund from which taxation could be drawn, so that the increase in national wealth was undoubted⁵: but the effects on the rural population are much more difficult to

¹ The Duke of Bedford was one of the leaders in this movement; and the sheep-shearings of Woburn were remarkable gatherings of gentry who were interested in encouraging the breeding of sheep. Prizes were given for this object as well as for the improvement of agricultural implements. There was an even more celebrated meeting, instituted by Mr Coke of Holkham in Norfolk, where the prizes offered included rewards for labourers who showed special skill in particular departments of farm work (*Annals of Agriculture*, xxxix. 42, 61).

² For an excellent map of this arrangement as it survived in 1905 at Upton S. Leonards, see *Victoria County History, Gloucester*, II. 187; also for maps of Walthamstow, Beestmoor, Barton-le-Street, Donisthorpe, and Shilton in 1844, see *Report from the Select Committee on Common Enclosures 1844*, v. 489—497.

³ S. Taylor, *Common Good*, p. 18.

⁴ Worlidge, *Systema Agriculturae* (1687), 10.

⁵ John Lawrence, rector of Bishop's Wearmouth, wrote decidedly in favour of the change in his *New System of Agriculture* (1726), p. 45; so too Edward Laurence, *Duty of a Steward to his Lord* (1727), p. 37; and John Mortimer, *Art of Husbandry*, p. 1 (1707); and the anonymous authors of the *Great Improvement of Commons that are enclosed* (1782), Brit. Mus. T. 1856 (7), and an *Old Almanack* (1785). Brit. Mus. T. 1856 (9). See p. 558, n. 2 below.

trace, and it is not easy at this distance of time to strike a balance between the evil and the good. That natural economy and subsistence farming appear to have practically died out altogether, and that there was much more of national market for farm produce¹, and therefore of effective competition between different districts in the country, are the two points to be chiefly noticed.

There were three classes, at the beginning of the seventeenth century who practised subsistence farming, either as their sole avocation, or as an adjunct to some other means of earning a living. Among the last were comprised all village artisans; not only those who, as smiths, wheelwrights or shoemakers, supplied the needs of their neighbours, but also the domestic weavers who were found in large numbers², especially in the West of England. They had the opportunity of leading an independent and comfortable life, in healthy surroundings³, such as would be greatly prized by the manufacturing population of the present day⁴, but they did not have a very good reputation for industry⁵. They were not a welcome element in the rural districts, and it seemed that they would do better if they devoted themselves exclusively to manufacturing. With the progress of enclosure, they seem to have been more cut off from opportunities of eking out their subsistence with the help of small holdings or pasture rights. Thus these manufacturers became mere wage earners who were wholly dependent on the state of trade for their daily bread. When trade was slack they had no resource but to come upon the rates, and in periods of depression they were not unlikely to break out in riots⁶.

Besides these manufacturers, there was a large class of cottiers, cottiers and squatters on the waste who, had no obvious means of subsistence, besides the supplies they got from the land⁷. In the fens, they must have been a sturdy people, leading an

¹ H. Levy, *op. cit.* 9.

² On the growth of this class in the seventeenth century see R. F. Butler in *Victoria County History, Gloucester*, II. 185.

³ See below p. 564.

⁴ On the desirability and practicability of reintroducing "subsistence-farming" by wage-earners see my article on *Back to the Land*, in the *Economic Review*, October 1907.

⁵ Rowland Vaughan, p. 31. ⁶ See below p. 562 n. 1. ⁷ H. Levy, *op. cit.* 5.

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independent life. But throughout the country generally they seem to have been regarded as lazy and undisciplined¹, and public opinion was in favour of forcing them to take to more regular habits².

and small
farmers.

The remaining class, whose fate elicited most sympathy was that of the small holders—whether tenants or freeholders—who worked the land on traditional methods, and lived on the produce. They were regarded as the backbone of the country; but their cultivation was apt to be slovenly³, and there were difficulties in allowing it to continue side by side with the improvements which more adventurous men were making on their estates. There are many complaints from the earlier part of the seventeenth century of the encroachment on pasture rights, so that the small farmers could no longer feed their stock⁴; or encroachment on the common fields might interfere with the customary husbandry of a village⁵. Sir W. Dolben's Act in 1773, which facilitated the improvement of the common custom of tillage so as to render it less necessary to break up the common fields into severalty, was an attempt to enable the old race to move with the times⁶, but the trend of circumstances was too strong⁷; and

¹ "Destroying of Manors began *Temp. Hen. VIII.*, but now common, whereby the mean people live lawless, nobody to govern them, they care for nobody, having no dependence on any body." Aubrey, *Introduction to Survey of North Wiltshire, Miscellanies* 1714, p. 80.

² S. Taylor, *Common Good*, 37, Pseudonismus, *Considerations*, 9. See below p. 567 n. 1. The advocates of enclosure continued to insist that the commons were a source of moral evil as well as of economic loss, *Reports* 1844, v. Questions 71, 774, 1811, 8091, 4208.

³ The chief excuse for pushing on the enclosure of common fields lay in the prevalence of weeds; a single lazy farmer who allowed his strips to be covered with thistles and allowed these thistles to seed, would do an infinity of mischief to all his neighbours. The case of Farmer Riccart near Audley End brought this home forcibly to Arthur Young. *Southern Counties*, 386.

⁴ Compare the very interesting petition from Wooton Bassett printed by J. Britton, *Beauties of Wiltshire*, III. 89.

⁵ Aubrey, *Topographical Collections*, 181.

⁶ T. Stone a Bedfordshire surveyor, writes as if a common custom of tillage was prevalent in his experience; he approves of Sir W. Dolben's Act (13 Geo. III. c. 81), but regards it as inoperative. *Suggestions for rendering the Inclosure of common fields and waste lands a source of population and riches* (1787), p. 18. In 1801 the Act was revived with the view of enabling occupiers to take a crop of potatoes (41 Geo. III. c. 20). Slater, *The English Peasantry*, 87.

⁷ The exceptional case of Weston Subedge, where the communal system was maintained till 1852, is fully described by C. R. Ashbee, *Last Records of a Cotswold Community*.

as enclosure went on, there was less and less room for the ~~small farmer who carried on a traditional husbandry~~ with a view to subsistence. A.D. 1689
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As these men were replaced by tenants who farmed for the market, another change became more noticeable; there was a tendency to unite small holdings in the hands of one man¹; a successful yeoman², who had saved some capital and could do his marketing to advantage, would be glad to take additional lands. The consolidation of holdings was favoured by manorial lords³ who found that they were put to less expense in connection with farm buildings. There were in consequence, as enclosure proceeded, fewer farm houses; and during the seventeenth century, when so much attention was given to grazing, there was probably a diminished demand for labour; in the eighteenth century, it was alleged that enclosed land gave employment to a larger number of hands than unenclosed⁴, but there would not necessarily be a larger population. The number of cottages had diminished, so that the rural labourers opportunities of marrying and settling would be curtailed⁵, as well as his chance of bettering his position⁶. Hence it came about that the anticipations of Fitzherbert and others, who had argued in favour of enclosure for improved husbandry, as an all round benefit⁷ were falsified. The progress of enclosure brought about a decrease in the number of farm households and of cottages in one village after another, so that the depopulation of the rural districts⁸, Enclosure led to the consolidation of holdings.

and the displacement of rural population.

¹ On this and other points I am much indebted to the excellent paper by E. M. Leonard on *The Inclosure of Common Fields*. Royal Hist. Soc. Trans. N. S. xxx. 118.

² For early instances of yeomen who prospered and rose in the world, see E. C. Lodge, *Victoria County History, Berkshire*, II. 208; also S. J. Elyard, *Annals of Purton in Wiltshire Notes and Queries* (1895), I. 532.

³ Pennington, who was an advocate of enclosure, deprecates this practice, which he regards as injurious; he held that it was commonly but not necessarily associated with enclosure. *Reflections on the various advantages*, p. 56.

⁴ Hale, *Compleat Book of Husbandry* (1758), I. 208.

⁵ *Enquiry into the advantages and disadvantages resulting from Bills of Inclosure*, Brit. Mus. T. 1950 (1), (1780). This is an admirable statement of the case against enclosures, and deals specially with the unfair methods by which they were carried through. See below, p. 558.

⁶ See below p. 714.

⁷ Compare the argument in John Houghton's *Collection of Letters for the Improvement of Husbandry and Trade*, I. (8 Sept. 1681), p. 10.

⁸ This is implied in Moore's argument (see below, p. 557 n. 8) in the time of Cromwell: also in Cowper's vigorous tract *An Essay proving that enclosing commons*

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of which so much complaint had been made in Tudor times, did not by any means cease when the profit on sheep-farming declined¹. Some of the displaced population migrated to other commons, some to towns², and some appear to have emigrated³.

*Different
localities
competed in
a national
market*

The difficulty of following the effects of the change is greatly increased by the fact that substantial loss in certain districts must be set against the gain in others. By new methods of manuring it was possible to bring land into cultivation which had never been tilled before⁴. The exhausted common fields could not compete against the produce

is contrary to the interest of the nation (1732), Brit. Mus. T. 1856 (8). He argues that if inclosure became more general there would be less agricultural employment, and that the by-employments of spinning and manufacturing wool would also decline as well as all the subsidiary village trades,—such as wheelwrights, smiths, etc. (pp. 8, 7, 8). See also the *Enquiry into the reasons for and against Inclosing the open Fields* (1767), Brit. Mus. 1959 (3), p. 29, where special reference is made to Leicestershire. In a reply to this pamphlet Pennington argues that if the processes of manufacture are included, the raising of wool affords far more opportunities of employment, before it is ready for the use of the consumer, than the raising of corn. *Reflections on the various advantages resulting from the draining, inclosing and allotting of large commons* (1769), p. 19. The same line of argument had been taken by Homer (*Essay on the Nature and Method of ascertaining the Specific shares of proprietors upon the Inclosure of Common Fields* (1766), p. 85; he looked with complacency on the movement of the population from the villages. "There is a natural Transition of the Inhabitants of Villages, where the Labour of Agriculture is lessened, into Places of Trade, where our Naval Superiority, as long as it lasts, will furnish Sources of perpetual Employment. Whether the hands, thus directed from Agriculture to Manufacture, are not in that Station more useful to the Publick, than in their former, is an Enquiry which might perhaps be prosecuted with some Entertainment to the Reader."

¹ See above p. 101. Dyer writing in 1757 insists that enclosure is desirable in the interests of the quality of wool; but he is thinking of a flock in conjunction with tillage. *The Fleece*:—Anderson—*Poets of Great Britain*, ix. 564.

² Leonard, *op. cit.* 123.

³ "Inclosure with depopulation is a Canker to the Commonwealth. It needs no proof; woful experience shows how it unhouses thousands of people, till desperate need thrusts them on the gallows. Long since had this land been sick of a pluriate of people, if not let blood in their Western Plantations." Fuller, *Holy State* (1642), Bk. II. c. 18. Also in the following century. *Coursey Remarks on Enclosure by a Country Farmer*, 1786, p. 6.

⁴ "The Downs or Plains which are generally called Salisbury plain...were formerly left open to be fed by the large flocks of sheep so often mentioned; but now so much of the Downs are ploughed up as has increased the Quantity of Corn produced in this country in a prodigious Manner and lessened their Quantity of Wool, as above; all which had been done by folding the sheep upon the plow'd lands, removing the fold every night to a fresh Place, till the whole Piece of Ground has been folded upon; this and this alone, has made these lands, which in themselves are poor, able to bear as good wheat as any of the richer lands in the

of this fresh soil, and Aubrey describes how in Wiltshire, A.D. 1689
 "as ten thousand pounds is gained in the Hill Country, so —1776.
 the Vale does lose as much, which brings it to an equation¹." The same sort of change was taking place over larger areas; Leicestershire and Northamptonshire had been great corn-growing areas, but in the seventeenth century, tillage gave place to pasture farming; the inland shires were² apparently at a disadvantage in disposing of their grain; cattle-breeding and sheep-farming were the most profitable uses of the soil. The Council of James I. and Charles I.³ had taken active measures to check the movement of turning arable land to pasture in these districts, both by writing to the justices and by instituting proceedings in the Star Chamber⁴. With the fall of the monarchy, there was no longer any effective means of attempting to maintain the special conditions of either agriculture or industry in particular localities, and pasture farming spread more rapidly⁵.

and no effort was made to maintain separate markets.

The movement for enclosure does not appear to have

Vales, though not quite so much....In Wiltshire it appears to be so very significant that if a Farmer has a Thousand of Sheep, and no Fallows to fold them on, his Neighbour will give him Ten Shillings a Night for every Thousand." Defoe, *Tour* (1724), Vol. II. Letter 1. 49.

¹ *Natural History of Wiltshire*, 111. His own rents at Chalke had fallen £60 since the Civil War.

² See above p. 544 n. 2.

³ Leonard, *op. cit.* 126.

⁴ *Ib.* 129.

⁵ Some discussion arose on the subject during the Interregnum, in consequence of the allegations of the Rev. John Moore of Knappthoft, who seems to have thought that a great deal of enclosure with depopulation had recently occurred in Leicestershire (*Crying sin of England of not caring for the poor wherein Inclosure viz. such as doth unpeople Townes and uncorn fields is arraigned*), and that as a consequence tenants were unable to get farms, and cottiers were deprived of employment in various agricultural operations which he enumerates (p. 11). 'Pseudonismus' replied that the law provided sufficiently against any danger of depopulating, and that this could only arise from carelessness in enforcing it. *Considerations concerning Common Fields* (1654), p. 8. This answer to Moore's pamphlet has been attributed, by Nichols (*History and Antiquities of the County of Leicester* (1807), iv. i. 85), to the Rev. Joseph Lee, Rector of Cottesbach in Leicestershire. See also *A Scripture word against Inclosure* (1656), from which it appears that petitions on the subject from Leicestershire were presented to the Lord Protector and his Council. The further reply of Pseudonismus, *Vindication of the Considerations*, includes a vigorous statement from a Leicestershire gentleman of the waste and mischief which arose from the common fields (p. 41); this is quoted by Nichols, *op. cit.* iv. i. 93. Lee distinguished the enclosing he approved from that of Tudor Times. *Εἰσαῖτα τοῦ ἔργου*, or *A Vindication of a regulated Inclosure*, (1656). Considerable extracts are printed by Nichols, *History and Antiquities of the County of Leicester*, iv. i. 91.

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*The ex-
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enclosure
were great*

been pressed on with such rapidity in the seventeenth¹ and early part of the eighteenth century as was the case toward its close. Even though the advantage to agriculture was considerable², the small farmers could not afford to have any part in this boon. It undoubtedly was not easy to re-allot the lands fairly, so that each of the landholders should have such a piece as was really the equivalent of the scattered strips and patch of meadow and pasture rights which he had previously possessed. This was a difficult duty, and one which was generally assigned to strangers, who might be supposed to make an award unbiassed by personal friendship. Apart from parliamentary and law expenses, the change was costly. The new farms were permanently separated from one another, and it was necessary to fence them; a very heavy burden was imposed on the village, and the shares of the poorer inhabitants for these expenses, involved many of them in debt and led to their ruin³.

*and the
procedure
inflicted
much
hardship*

It appears to have been the usual procedure, in the seventeenth century, to procure an agreement among those concerned, and to have this agreement authorised by a decision in Chancery or the Exchequer⁴. In the eighteenth century the method of proceeding by private bills came into vogue⁵; these were often passed through Parliament without sufficient enquiry, and when many of the inhabitants were quite unaware of the impending change or were at all events

¹ Houghton estimated in 1692 that a third of all the kingdom was in common fields. Dr Plot had made this calculation for Staffordshire, and Houghton apparently generalised it for the kingdom as a whole: how rough his calculation is, may be gathered from the fact that he corrected his estimate of the acreage of England from 29,000,000 to 40,000,000 acres. Houghton, *Collection of Letters for Improvement of Husbandry and Trade*, 1 June, 1692.

² Burke, *Works*, II. 347. The enquiries of the Board of Agriculture, embodied in their *General Report on Enclosures* published in 1806, appear to be decisive on this point. See also the *Report from the Select Committee on Enclosing Commons*, 1844, v. 8.

³ A. Young, *Northern Tour*, I. 223.

⁴ Leonard, *op. cit.* 106.

⁵ In the reign of Anne there were 8 private bills for enclosure; in that of George I., 16; under George II., 226; and in the reign of George III., from 1760-1775, there were 784; from 1776-97, 806; from 1797-1810, 956; and from 1810-20, 771; besides this, there was a general enclosure Act in 1801 (Tooke, I. 72; Prothro, *Pioneers and Progress of English Farming*, 257). See also Clifford, *Private Bill Legislation*, I. p. 21. The period of parliamentary enclosing has been investigated in great detail by Dr Slater, *English Peasantry*.

powerless to resist it¹. Very clear light on this subject is given by a debate in the House of Lords in 1781; the Bishop of S. David's² objected to the manner in which the claims of the tithe-owner were adjusted when land was enclosed; Lord Thurlow, who was then Chancellor, expressed himself in very strong terms as to the injustice to small proprietors which frequently occurred in connection with such measures³, and the pamphlet literature of the day corroborates this statement⁴. A.D. 1689
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To those who were unable to conform to the new conditions of profitable agriculture it was an additional hardship on the small
farmers that the change was hurried on by inconsiderate legislation; but it may be doubted whether any parliament could have seriously attempted to restrain the economic forces, which were rendering the continued existence of the small farmer increasingly difficult. Corn prices ranged high,

¹ The bill for enclosing Bisley was thrown out in 1783, because of the opposition of the weavers, who were also small farmers. R. F. Butler in *Victoria County History, Gloucestershire*, II. 167.

² *Parl. Hist.* xxii. 47. In enclosing common fields there was great difficulty about making a satisfactory allotment of tithes. The Bishop of S. David's was the spokesman of a large number of clergy who disliked a change by which they were forced to undertake the management of a glebe, instead of obtaining tithes from the occupiers (*Parliamentary History*, xxii. 49). On the other hand, the agricultural improvers could not but feel that tithe was a form of tax which had a baneful influence upon agriculture. Mr Howlett, the vicar of Great Dunmow, calculated that the tithes in his neighbourhood had increased in value twelve times as much as the rent (*Annals of Agriculture*, xxxviii. 182). While a charge of this sort was a real obstacle to improvement, the recent changes made it more difficult for the clergy to consent to accept an arrangement, by which they agreed for themselves and for their successors, to forego the advantage which might arise from any further increase of cultivation. The benefits which had come to the Universities from the law which assigned to them corn-rents were well known, and it was not obviously politic to accept a change in system. In this way it came about that the tithe-owners were inclined to regard the Board of Agriculture and their supporters with much suspicion, and this was in all probability one of the influences which caused the discontinuance of this department in 1819.

The existence of tithe had also a curious effect upon the farmers in making them prefer the policy by which labourers were maintained out of the rates to that of raising their wages. Tithes are levied on the produce after the rates have been allowed for, but without taking account of the expenses of cultivation, so that the farmer who employed labour would pay a smaller tithe if the rates were high and wages low than he would have to do on the same crop if rates were low and wages high. This is another of the minor causes which contributed to render the pauperising policy of allowances popular with the large farmers. (*Annals of Agriculture*, xxxviii. 184.)

³ *Parl. Hist.* xxii. 59.

⁴ *Enquiry into the advantages and disadvantages resulting from Bills of Enclosure* (1780).

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who did
not benefit
by the high
price of
corn

but the small farmer did not, generally speaking, devote himself to the production of corn for the market; and if he did, the times were too uncertain for him to steer his course with success. If he were a freeholder, he might of course be able to maintain his position, though bad seasons might make it necessary for him to borrow¹, and he might sooner or later be forced to sell², as the only means of escaping the burden of debt. The copyholder, with the obligation to pay occasional fines, and the yearly tenant had a less firm grip on the land, and were less able to compete successfully with the large capitalists. In the last quarter of the eighteenth century England ceased to be a corn-exporting country; there was no margin of production in ordinary years above the requirements of the country, and as a consequence there were unprecedented fluctuations of price according as the seasons were good or bad³. Farming had become a highly speculative business in which poor men could hardly hope to hold their own. The violent changes of price would often give the capitalists, who could hold large stocks of corn, opportunities of making enormous profits. On the other hand, the small farmers, whether they worked in common fields or in separate holdings, were forced to realise their corn immediately after harvest, and suffered immensely. In 1779 in particular, prices were so low that many farmers were ruined⁴. Somewhat later prices fell again, and there was another great period of

¹ A full discussion of these influences and of the destruction of this class will be found in the Report of the Committee of 1833. *Reports from Select Committee on Agriculture*, 1833, v., Questions 1262 (Wiltshire), 1691 (Worcestershire), 8108 (Yorkshire), 4862, 9269 (Somerset), 6056 (Cheshire), 6156 (Shropshire), 6957 (Cumberland), 12216 (Nottingham).

² When they did so there were no men of their own class to buy their properties, and these went to large owners. Prothero, *Pioneers and Progress*, 83.

³ On legislative action in this period see below, p. 723. The season from 1765 to 1774 were specially inclement, and from 1775 onwards they were very irregular; thus in 1779 there was an unusually plentiful crop, while 1782 was a very bad year, which was followed by two others that were distinctly below the average. It thus appears that the inclemency of the seasons does not serve to account for the high range of the average prices; but the irregularity of the seasons had a great effect in producing sudden fluctuations of price. At Lady-Day 1780, the price of wheat was thirty-eight and threepence; at Michaelmas forty-eight shillings; and at Lady-Day 1781, fifty-six and eleven-pence (Tooke, i. 76).

⁴ Arthur Young, *Annals of Agr.* xxv. 460.

agricultural distress, which caused very widespread disaster; the capitalists may have held out longer than the small farmers, but many of them were forced to succumb¹. A.D. 1689
—1776.

The small farmers who continued to devote themselves to cattle-breeding and dairy farming, also found themselves in serious difficulties. The price of these products did not rise correspondingly with the price of corn; indeed there was a relative fall of price, as the labouring population which was forced to pay more for bread, found it necessary to economise in other articles of diet². The business of the small farmer became less and less remunerative during the last decade of the eighteenth century and the beginning of the nineteenth, while there was an eager demand for every rood of land that could be utilised for the growth of corn. Some of the yeomen were doubtless bought out, and some were crowded out, but in the changed conditions they could not maintain themselves by their traditional husbandry. *while they
lost on other
produce*

Some of the other changes of the times were specially burdensome to the small farmers, as compared with their wealthier neighbours. They were heavily charged for the maintenance of the poor, especially at the close of the eighteenth century after the adoption of the Speenhamland policy³ of granting allowances out of rates in addition to wages. The small holder was a rate-payer and had to make increased contributions; since the labourers were not maintained by the wages paid by their employers, but partly subsisted on poor-relief, it followed that the small holders were taxed for the benefit of the large farmers⁴. All the circumstances of the day combined to render the position of the small farmer untenable. "Perhaps it may not be an extravagant conjecture to venture⁵, if one were to affirm that if the small farmers should remain under a pressure of poor's *and were
crushed by
the burden
of rates.*

¹ About the year 1782 a number of country banks had been formed; this was a sign of the increased facilities for saving money and for applying capital to land (Tooke, i. 198); but in 1792, when prices were low, a considerable proportion of these country banks appear to have got into difficulties: there were a large number of failures in that and the following year, so that the whole credit system of the country (*Ib.* 195) was seriously affected.

² Levy, *op. cit.* 17, 58.

³ That this policy was practically in operation for some years before is shown by David Davies, *Case of Labourers in Husbandry* (1795), p. 25.

⁴ *Annals of Agr.* xxxvii. 106, 109.

⁵ *Ib.* 109.

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rates for ten years to come equal to the pressure which they have experienced during the last ten years, that so useful and respectable a set of men must necessarily be exterminated entirely in many districts of the kingdom, and many respectable fathers and mothers of families would themselves become objects of that charity which they had been ruined to support; their farms would, on the first vacancy, be purchased by neighbouring gentlemen or by opulent farmers; and eventually, by the entire suppression of small occupations, every hope would be taken away from the labouring poor of ever bettering their condition by renting and cultivating a few acres for their own comfort and advantage." The progress of agricultural improvements left its mark by drawing hard and fast lines of cleavage between the classes in rural society¹; the smaller farmer who had succumbed in the struggle was all the more to be pitied, because the labouring class in which he had been merged was entering on a terrible period of privation and degradation².

*The
pressure of
pauperism
called forth
discussions*

236. The development of manufacturing had done much to stimulate agricultural production, but it also had serious results in imposing fresh burdens on the proprietors of the soil³. In many places the wage-earning population had no means of support to fall back upon, in times of bad trade; the pressure of the poor rates was occasionally a very heavy burden, and prudent men were desirous of avoiding the risk of being exposed to it. Changed circumstances gave rise to new social problems, and there were some alterations in the administration of the Elizabethan system of poor relief; it was also supplemented by Private Bill legislation⁴. Still

¹ Compare H. Levy, *op. cit.* p. 48 on the bitterness this change engendered.

² See below pp. 713—715.

³ "This clothworking I have named a commodity of this country, and so it is generally taken to be and I suppose you conceive it is so; and so it is a great use to the kingdom. But I may tell you secretly in council not so much for the country (some few excepted), to whom it is more burdensome than profitable; for having engrossed so great a trade it hath made the towns and country so populous that notwithstanding all their best endeavours in husbandry, yet yields hardly sufficient of bread, beer and victual to feed itself....And in every rumour of war or contagious sickness (hindering the sale of those commodities), makes a multitude of the poorer sort chargeable to their neighbours, who are bound to maintain them." Westcote, *A view of Devonshire in MDCXXX*. On the inability of Devonshire to feed its large manufacturing population in 1620, see Giles, *Parl. Hist.* i. 1196.

⁴ Clifford, *Private Bill Legislation*, i. 266*. There were more than 150 local

the fundamental principles of the system held their ground for two hundred years till it broke down at last under the pressure caused by the Industrial Revolution. The discussions which centred round this topic have an abiding interest, however, even when they seem to have been barren of any direct result. The criticisms to which the Elizabethan scheme was subjected, and the modifications which were proposed from time to time, afford evidence, which is none the less interesting because it is indirect, as to the changes which were occurring in social and economic conditions.

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which
throw
light on
contem-
porary social
conditions.

The amendments were avowedly in regard to the practical administration of the system. In attempting to trace them we shall do well to remember how large was the sense in which the State had interpreted its duty to the poor. There was, in the sixteenth century, a clear opinion that the Government ought to have a care for all those who were dependent, and not merely for the impotent, or for children. The substantial man, who had the means of employing himself on his own land, or in his own calling, might be left to himself; but it was felt by Elizabeth and her advisers that supervision was needed to secure the welfare of the labourer, both as regards the conditions of his work and the periods when he was unemployed. It is clear that assiduous efforts were made to enforce this system until the time of the Civil War¹; but it is probable that after that event the pressure was relaxed. The frequent supervision which had been exercised by the Privy Council appears to have fallen into abeyance; and as separate counties and parishes were no longer subjected to constant centralised control, they could pursue the course of greatest advantage to their own neighbourhood. Under these circumstances there need be little surprise that the authoritative assessment of wages should have become a mere formality², or should have fallen into entire desuetude³.

The decline
in the
power of
the Council
after the
Civil War

Acts chiefly passed in the reigns of Geo. III. and Geo. IV. giving power to the local authorities for the relief of their poor.

¹ Morant (*Essex*, I. 180) gives an excellent history of the provision for the poor in Colchester and testifies to the good working of the Elizabethan Act for about 40 years.

² See above, p. 43.

³ In addition to evidence adduced above compare H. Fielding, *An Inquiry into the causes of the late Increase of Robbers* (1751), p. 55.

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gave scope
for the con-
sideration
of local to
the neglect
of national
interest.

and that the administration of the poor should have become intensely parochial. It was inevitable that this should be conducted with a primary regard to local convenience¹, so that there was danger of insufficient care for the needs of the poor, and of scant attention to the national interest.

Labourers
had a
double
source of
income,

So far as I am able to judge, however, the breakdown of the system of State supervision over the terms of employment had no injurious effect on labourers' standard of comfort, during the seventeenth century and the first half of the eighteenth. There was a rapid growth of trade and an increased demand for labour of many sorts; the progress of enclosure, though it told against the small farmers, increased the demand for the services of hired labourers; while the general diffusion of the art of spinning would give a considerable increase to the family income. The rural labourer could eke out his wages, not merely by the exercise of privileges on the commons, but from the connection of his family with the manufacturing interest. On the other hand, a very considerable part of the artificers had direct connections with the soil. The Survey of 1615 shows that Sheffield cutlers, who had a considerable struggle to pay their way, combined the management of some land with the production of whittles². At Pudsey, in the neighbourhood of Leeds, the woollen weavers practised agriculture as a by-employment at the beginning of the nineteenth century. They were able to add considerably to their personal comfort

¹ The introduction of a central authority to give unity to the whole system was the most important change effected by the Poor Law Reform of 1834 (see below, p. 772). The inconvenience of allowing each parish to be an independent administrative unit had long been felt. See a proposal in 1652, *State Papers addressed to Oliver Cromwell*, edited by Nickolls, p. 89. Also compare the proposal of Nickolls, *Advantages, etc.* (1754), p. 207, and the argument, in 1758, by Massie, who held that the poor law of Elizabeth was one of the chief causes for the growth of pauperism. "As Multitudes of working People," he continues, "are obliged to travel from Parish to Parish, and from County to County, in order to find Employment, proper Maintenance or other Relief ought to be provided for them, when and where they want it; because there cannot be a better Motive for their travelling, than a Desire to get an honest Livelihood; and therefore they should have all possible Encouragement to persevere in doing what is Best for the Nation, and for Them. Giving every poor Person a Right to Relief, when and where he or she shall want it, would put an End to all Law Suits, about the Settlement of the Poor" (*A Plan for the Establishment, etc.*, 112).

² Hunter, *Hallamshire*, 148. The pressure of pauperism at this place was very severe. See above, p. 347, n. 8.

and to pay high rents for pasture land¹, though their agri-
culture was backward in the extreme². The woollen weavers,
in all parts of the country, appear to have enjoyed allotments
or large gardens; but some of those who were engaged in
the more recently introduced cotton industry were aggre-
gated in towns, and suffered from the want of healthful
relaxation which could be combined with work at their
looms³. In many small towns like Kettering⁴ the artisans
had allotments or pasture rights; and hence it may be said
that, at the beginning of the nineteenth century, there was a
large part of the industrial population⁵ which was not yet
divorced from rural employments.

This double source of income gave an immense stability
to the labourers' position; but it did not necessarily con-
duce to energy. Labourers and artisans could afford to be
idle at times, and they had comparatively little incentive
to work; the possibilities of enjoyment within their reach
were very limited. The yeoman farmers, who formed the
class immediately above the labourers, led a sordid life⁶;

and their
position
was so
secure

¹ *Annals of Agriculture*, xxvii. 809.

² *Ann. of Agricul.* xi. 135. "The land in this part is almost wholly occupied in small plots or farms, by manufacturers, merely for the convenience of keeping a few cows, for milk for their children, apprentices, and inmates, and a horse to job to and from the mills, market, etc., hence it is, that the business of a farmer has, for a long time, been a subordinate consideration with almost every manufacturer, his views and ideas are narrow and contracted, and are confined to the cloth trade; in this method he jogs on; and such is the force of prejudice, that if anyone does not follow the old course of husbandry, he is frequently laughed at by his neighbours, and very invidiously considered as a visionary and an innovator; and the chief reason which they advance in defence of this old antiquated procedure, is that their forefathers have practised it."

³ *Ib.* xxxviii. 546.

⁴ *Ib.* xxxix. 259, 244 note.

⁵ At West Bromwich, the seat of the nail trade, agriculture "is carried on so connectedly with manufactures that it is subservient to them." *Ib.* iv. 157.

⁶ Arthur Young's testimony is clear: "From all the observations I have made, I am convinced that the latter, when on an equality with the former (little farmer) in respect of children, is as well fed, as well clothed, and sometimes as well lodged as he would be, was he fixed in one of these little farms; with this difference—that he does not work near so hard. They fare extremely hard—work without intermission like a horse—and practise every lesson of diligence and frugality, without being able to soften their present lot" (*Farmer's Letters*, 114); and their hopes of saving enough to take a larger holding were seldom realised. Harte also expresses himself decidedly; he holds that the little farmer at a rent of thirty or forty pounds a year "works and fares harder and is, in effect, poorer than the day labourer he employs. An husbandman thus circumstanced, is, beyond

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that they
could
afford to
be idle;

the standard of comfort was low, and the labourer was generally speaking in a position to satisfy his requirements without strenuous exertion¹. Under these circumstances we can hardly be surprised at the repeated charges of ~~idleness~~ which are brought against the poor; this was a constant complaint on the part of the employers², and was put forward by many writers as the real cause of lack of employment and poverty³.

additional
opportunities
of em-
ployment

On this assumption, that idleness was the only cause of pauperism (apart from sickness and old age), it was obvious that additional opportunities of employment would have little effect on those who were unwilling to work at all. It may perhaps be said that the hard tone, which popular opinion associates with the dismal science, first shows itself at a period, when philanthropic measures were denounced on economic grounds, as either useless⁴ or baneful, and when dispute, a worthy object of our commiseration and assistance" (*Essays on Husbandry*, 206).

¹ The rural labourer could count on regular employment, since agricultural industry was not liable to such violent fluctuations as manufacturing (A. Young, *Farmer's Letters*, 21), especially in trades for which the materials came from abroad. The employees of the capitalist farmer were, however "free hands," to quote Sir James Steuart's phrase, as distinguished from peasants whose interest bound them to the soil.

² Compare Temple, *Vindication of Commerce* (1758), p. 18. Also *Essay on Trade and Commerce*, Brit. Mus. 1189. i. 4 (1770), p. 15: "The manufacturing population do not labour above four days a week unless provisions happen to be very dear." "When provisions are cheap they wont work above half the week but sot or idle away half their time." Richardson, *Causes of Decline* (1750), p. 6. Even when the men were industrious, the conditions of domestic industry in the West Riding were such that the men lost about a third of their time. *Annals of Agriculture*, xxvii. 511.

³ Locke (*Report of Board of Trade* [1697] in *Account of Society for the Promotion of Industry in Lindsey*, p. 108 [Brit. Mus. 103. 1. 56]). Defoe is perhaps the writer who lays most stress on the faults of the poor: "I make no Difficulty," he says, "to promise on a short Summons to produce above a Thousand Families in England, within my particular knowledge, who go in Rags and their Children wanting Bread, whose Fathers can earn their fifteen to twenty-five shillings per week but will not work, who may have Work enough but are too idle to seek after it, and hardly vouchsafe to earn anything but bare Subsistence and Spending Money for themselves." *Giving Alms no Charity*, in *Genuine Works*, II. 448. Eden (I. 244) stated the opinion, that a large proportion of paupers, besides the regular tramps, were merely lazy, and that the complaint of want of work was a mere pretence. The high prices of the dear years had not inoculated the English with the frugality which the Dutch displayed.

⁴ "Suppose now a workhouse for the employment of poor children sets them to spinning of worsted. For every skein of worsted these poor children spin there

the frugality of Dutch craftsmen and French peasants was held up as an example to Englishmen. Hard-headed men at the close of the seventeenth and beginning of the eighteenth century protested against the observed effects of indiscriminate State charity. We have, moreover, abundant evidence that despite the facilities for employment which were open, ~~there was a very large half-pauper and half-criminal class, who were never absorbed in industrial pursuits of any kind.~~ One writer after another inveighs¹ against them, and makes suggestion as to the best means of dealing with this social danger.

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did not
absorb the
vagrant
population,

The obvious expedient, to which the authorities had recourse, was that of permitting and even encouraging these vagrants to settle on unoccupied ground. An Elizabethan Act had provided for the building of cottages on the waste, and many landlords appear to have been willing that additional accommodation should be erected, though they were not always ready to assign allotments of land to be held along with these houses². Silvanus Taylor complains

who were
permitted
in the
seventeenth
century

must be a skein the less spun by some poor person or family that spun it before; suppose the manufacture of making bays to be erected in Bishopsgate Street, unless the makers of these bays can find out at the same time a trade or consumption for more bays than were made before, for every piece of bays so made in London, there must be a piece the less made at Colchester."

"If these worthy gentlemen, who show themselves so forward to relieve and employ the poor, will find out some new trade, some new market, where the goods they make shall be sold, where none of the same sort were sold before, if they will send them to any place where they shall not interfere with the rest of that manufacture, or with some other made in England; then indeed they will do something worthy of themselves, and they may employ the poor to the same glorious advantage as Queen Elizabeth did." Defoe, *Giving Alms no Charity*, in *Works*, II. 484.

¹ "The two great Nurseries of Idleness and Beggery etc., are Alehouses and Commons," Taylor, *Common Good* (1652), 51. In 1683 Sir M. Hale wrote, "Whereas in that State that things are, our Populousness, which is the greatest blessing a Kingdom can have, becomes the burden of the Kingdom, by breeding up whole Races and Families, and successive Generations, in a mere Trade of Idleness, Thieving, Begging and a barbarous kind of life which must in time prodigiously increase and overgrow the whole face of the kingdom and eat out the heart of it." *Discourse touching provision for the Poor* (1683), p. 11. See also *Observations on a pamphlet entitled An Enquiry*, Brit. Mus. T. 1950 (2) (1781), p. 5. Even when the cottagers did not deserve the bad character which they often bore they were apt to be at cross purposes with the farmers. *Political Enquiry into the consequences of enclosing waste lands* (1785), p. 48. Brit. Mus. T. 1950 (3).

² This was ordered to be a matter of official enquiry by the Commissioners in 1631. A case came before the Bedfordshire magistrates at the January Sessions

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to squat on
the common
wastes

that people were too ready to give way to the building of cottages, "for the ease of your parish, or out of a base fear of your Lord. The Parish sometimes wants habitation for their poor, and then with consent of the Lord there is a new erection, and for which there are very few Lords, but contrary to Law do receive rent, so that he careth not how many are erected. Again, many times the Lord gives way to erect without consent, either of Free or Copyholder, and if such are presented yet very seldome redressed¹." There was soon reason to suspect, however, that this mode of dealing with the difficulty was a mere palliative, and that the practice in the long run fostered the evils of pauperism. Dymock propounds some searching questions on this subject; "whether Commons do not rather make poore by causing idlenesse, than maintaine them; and such poore who are trained up rather for the Gallowes or beggary, than for the Commonwealth's service? How it cometh to passe that there are fewest poore where there are fewest Commons, as in Kent, where there is scarce six commons in a county of a considerable greatnesse?" The remedy he suggests is that of enclosing the commons and allotting a couple of acres, or so, to each of these families. Taylor is still more explicit; he would have tried to train these people to engage in spinning and manufacturing rather than that they (as usually now they do) "should be lazying upon a Common to attend one Cow and a few sheep for we seldom see any living on Commons set themselves to a better employment. And if the father do work sometimes, and so get bread, yet the

in 1654. Where the man could obtain four acres of ground there was no legal objection to the erection of a cottage, as he was supposed to have the means of supporting himself. A. Moore, *Bread for the Poore* (1658), p. 15.

¹ *Common Good*, 88.

² *Hartlib's Legacie*, 54. Samuel Hartlib is sometimes credited with being the author of this work, as for example by Thorold Rogers, *Agriculture and Prices*. But his own Prefaces, as well as the Memoir by Dircks, make it clear that this is a mistake. Hartlib constituted himself into a sort of Society of Arts, and had a large correspondence with specialists in different departments. Of his own acquaintance with the subject of husbandry he observes:—"I cannot say much of mine own experience in this matter, yet Providence having directed me by the improvement of several relations with the experience and observations of others, I find myself obliged to become a conduit pipe thereof towards the Publick." (Dircks, *Biographical Memoirs of Hartlib*, p. 68.) Dircks attributes this tract to Cressy Dymock, p. 69.

children are seldom brought up to anything; but being ^{A.D. 1689}
 nursed up in idleness in their youth, they become indisposed ^{—1776.}
 for labour, and then begging is their portion, or Theevery
 their Trade, so that though Commons be a help to one,
 yet its a ruine to many¹." Worlidge also argues that the
 common rights of the "Poor do very much injure them
 and the Commonweal in general. For here, by reason
 and under colour of a small advantage on a Common, and ^{instead of}
 by spending a great part of their time in seeking and ^{working,}
 attendance after their cattel; they neglect those parts of
 Husbandry and Labour, that otherwise would maintain
 them well, and educate their Children in these poor
 Cottages, as attenders on their small Stocks, and their
 Neighbours' greater, for a small allowance; which is the
 occasion that so many poor Cottagers are near so great
 Wasts and Commons. These open and Champion Counties,
 by reason of the multitude of these Cottagers, are the
 Producers, Shelterers and Maintainers of the vast number
 of Vagrants and Idle Persons, that are spread throughout
 the greatest part of England; and are encouragements to
 Theft, Pillage, Lechery, Idleness and many other Lewd
 Actions, not so usual in places where every man hath his
 proper Lands Inclosed, where every Tenant knows where
 to find his Cattel, and every Labourer knows where to
 have his day's Work²."

In so far as the Civil War caused the dislocation of
 agriculture³, or of trade, the means of charitable relief⁴

¹ Taylor, *Common Good*, 8.

² Worlidge, *Systema Agriculturae*, 18.

³ Sir John Cooke writes in 1648 (*Unum necessarium*, p. 5): "There was never more need to make some provision for the poore then this yeare;...a Labourer will thrash as much corn in a day, as the last yeare in two; and corn being deere, those that kept three servants the last yeare, will keep but two the next; those that had two but one, and those that had one will do their work themselves; and every one projects for himselfe, to spend as little as may be, but who takes care for the poore, how shall they be provided for? If a poor man have work all this winter, and get six pence a day; what will three shillings a week do to maintain himselfe, his wife, and three or foure children? For English families commonly consist of six or seven." The remedy he suggests is that of preventing or limiting brewing so that barley may be available for food (p. 29). He discusses the practice in other countries of authoritatively fixing the price of corn (p. 7), but is curiously silent about the powers of the Justices to raise wages.

⁴ "In respect of the troubles of the times, the meanes of the said Hospitall hath very much failed for want of charitable benevolences which formerly have

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till they
were
checked by
the Act of
1662,

would be curtailed, while there would be a tendency for the numbers of this pauperised class to increase. The existence of this social element, and the shifting of population consequent on enclosure, gave occasion to the measure of 1662, by which the claims of the poor, and the responsibilities of each parish were more clearly defined. There had been some scandalous instances of towns and villages, which had tried to shirk their obligations'; and it was necessary to restrain the vagrants from taking unfair advantage of the ratepayers in places where the children of the poor were cared for. "The necessity, number and continual increase of the poor," says the Act³, "not only within the cities of London and Westminster, with the Liberties of each of them, but also through the whole kingdom of England and Dominion of Wales, is very great and exceeding burdensome, being occasioned by reason of some defects in the law concerning the settling of the Poor⁴, and for want of a due provision of the Regulations of Relief and Employment in such parishes or places where they are legally settled, which doth enforce many to turn incorrigible rogues, and other to perish for want": it adds, "that by reason of some defects in the law, poor people are not restrained from going from one parish to another, and therefore do endeavour to settle themselves in those parishes where there is the best stock, the largest commons or wastes to build cottages, and the

beene given and are now ceased, and very few legacies are now given to Hospitals, the Rents and Revenues thereunto belonging being also very ill paid; besides the want of bringing cloth and manufactures to London, which have formerly bin brought to *Blackwell Hall*; the hallage whereof was a great part of the poore children's maintenance, which being decayed by these and other meanes, the said Hospitall hath not been able to take in any children for two yeares past." *True Report of the Great Costs and Charges of the Foure Hospitalls* (1644), Brit. Mus. 669. f. 10 (2). *World's Mistake in Oliver Cromwell*, in *Harl. Miscel.* i. 289.

¹ Eden (i. 144) quotes from a pamphlet published in 1698 that no rates were levied in some parishes for 20, 30, or 40 years after 1601. "Though the number of the Poore do daillie encrease, there hath beene no collection for them, no not these seven years, in many parishes of this land, especiallie in countrie townes, but many of those parishes turneth forth their Poore, yea, and their lustie labourers that will not worke, or for any misdemeanor want worke, " " so that the country is pittifully pestered with them" (*Greivous Gromes*, by M. S., 1622; Eden, i. 155).

² 7 James I. c. 4, § 8. The evil of vagrancy took many forms; it was necessary to protect well-provided commons from the depredations of Squatters by 28 Geo. II. c. 19, § 3.

³ 13 and 14 Charles II. c. 12.

⁴ On the law of settlement under the Commonwealth see Inderwick, *Interregnum*, 91.

most woods for them to burn and destroy¹, and when they have consumed it, then to another parish, and at last become rogues and vagabonds, to the great discouragement of parishes to provide stocks, where it is liable to be devoured by strangers." According to the preamble the statute was aimed at this vagrant class, and gave powers to remove a new-comer within forty days, if there was a danger of his becoming chargeable to a parish, to the place where he had last been legally settled. But like so many pieces of social regulation it had most unforeseen effects, and a measure, which had been intended to fix local responsibility and check vagrancy, came in the succeeding century to have a most disastrous effect on the English artisan². It interfered with the employment of the industrious, and it chained the unemployed to districts where no work could be obtained. In the course of the eighteenth century, when industry was migrating to new centres, it must have tended to the creation of a class of pauperised artisans³ in addition to the half-vagrant cottagers on the commons.

which imposed serious restrictions on the labouring poor.

Though there seems to have been a considerable development of commerce, with a healthful reaction on industry, during the years which intervened between the Restoration and the Revolution, it is perfectly clear that the unemployed class was not absorbed by the increased opportunities of

¹ The importance of woods as the chief source of fuel comes out in these discussions. One of the severest attacks of a socialistic kind, on the privileges of manorial lords, was a claim on the part of commoners to have their share in all wood grown on the commons. *Declaration from the poor oppressed people of England* (1649) [Brit. Mus. 1027. i. 16 (3)]. There were also complaints that rich men who put large flocks on the commons for a time, and ate them bare, gained at the expense of other commoners, *Hartlib's Legacie*, 54. The destruction of commons and need of enclosing in the interest of commoners comes out in regard to Herefordshire. 4 James I. c. 11.

² Adam Smith, *Wealth of Nations*, pp. 57-59, 191.

³ Massie noticed a general course of migration, "from Rural Parishes to Market Towns, and from both of them to the Capital City; so that great Multitudes of People, who were born in Rural Parishes are continually acquiring Settlements in Cities or Towns, more especially in those towns where considerable manufactures are carried on; and as Trade is not only of a fluctuating Nature, but many Towns in England carry on Manufactures of the same Kind, and are always gaining or losing with respect to each other, although there be an encrease of Manufactures upon the Whole; it must necessarily follow, that there will be frequent Ebbings in the Manufactures of one or other of our Trading Towns." Massie, *A Plan for the Establishment of Charity Houses*, p. 99.

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*Fluctuations of
trade in-
creased the
numbers
of un-
employed;*

*and
methods of
relieving
the rates*

employment. It is indeed conceivable that the changes which were going on in the character of industry aggravated the evil; and that the occasional interruptions of trade inflicted periods of enforced idleness on weavers and others, and thus reduced them to the level of paupers¹. However this may be there can be little doubt that the charge which arose in connection with the maintenance of the poor was becoming intolerably severe. Gregory King calculated that the total population was five million, five hundred thousand; and apparently about a fourth of the total population was more or less dependent on parochial relief². In 1685 the total poor rates for England were estimated at over £665,000³; and in the succeeding years, with bad seasons, heavy war expenses and interrupted commerce, pauperism appears to have gone on increasing with rapidity⁴. It had become obvious that little could be done by planting the poor on the land, and many schemes were now devised for drafting them into industrial employments. This seems to have been specially noticeable in the years succeeding the Civil War, when a good many pamphlets were issued, with proposals for building hospitals and setting the poor at work. *Stanley's Remedy*, the work of a repentant Elizabethan highwayman, who desired to confer a benefit on the public he had injured, was printed in 1646; Sir John Cooke,—the lawyer who suffered, in spite of his able defence, for his part in the execution of King Charles,—published his *Unum necessarium*

¹ The author of a tract speaks of the poor rate in Elizabeth's time being 6d. "Whereas in our unhappy Days, 8s. in the Pound throughout the Kingdom is not sufficient to sustain them in a poor and miserable Condition more especially in the great Cities, and clothing Countries; for in many places, where there is most of our Woollen Manufactory made, the Poor Rate is from half a Crown to six or seven Shillings in the Pound, for the trading Poor have no way nor shelter but their Trade which if that fail once they are downright Beggars presently, whereas the contrary is to be understood of poor Husband-men who have many ways to shelter themselves, as, a Common, a Cow, a Wood, gleaning of Corn in Harvest, Day Work, Children to look after Cows, Hogs, going to Plow, etc. Besides all provisions 40 per cent. cheaper." *A Brief History of Trade in England, 1702* (Brit. Mus. 1188. b. 8), p. 68.

² Davenant, *Balance of Trade*, in *Works*, II. 184 and 208.

³ *Ib.* I. 41.

⁴ The figures commonly accepted for 1698 put the outlay at £819,000, but Sir George Coode saw reason to believe that this estimate was based on insufficient data. *Report to the Poor Law Board on the Law of Settlement and Removal*, in *Reports*, 1851. XXVI. 219, printed pag. 23.

in 1648, in which similar measures are advocated; and Parliament intervened in 1647 by erecting a corporation for employing the poor in London¹. In 1649 a pamphlet appeared, entitled the *Poor Man's Advocate*², which suggests that the remains of the crown lands, as well as of the episcopal and cathedral revenues, should be utilised in this way. Sir Matthew Hale³ wrote in the same vein in 1683; and many schemes were put forward for providing employment⁴. After the Revolution⁵ expedients of this kind were urged more frequently. One of them was brought before Parliament in 1698, and is highly commended by Davenant⁶; another was drafted by Locke⁷, who was one of the commissioners of the Board of Trade, another by one of the Worcester justices, Mr Appletre⁸, and another by Mr Dunning of Devonshire⁹. Locke brought a Bill into Parliament in

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and em-
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poor

¹ 16 Dec. 1647. This is not printed by Scobell but merely mentioned. There is a copy in the British Museum [1027. i. 16 (3)]. "An ordinance of the Lords and Commons for the constant Reliefe and Employment of the Poore * * * also inabling the severall Countiees and Corporations in the Kingdome of England and Dominion of Wales for the like Relieving and Regulating of the Poore in their respective Places."

² By Peter Chamberlen.

³ *Provision for Poor.*

⁴ Several tracts were written by men who were eager to promote some branch of industry and who refer to the employment of the poor as one of the incidental advantages it would subserve. It is in this spirit that Haines advises that the poor should be employed in the linen manufacture (*Proposals for building * * a Working Almshouse* (1677), in *Harl. Misc.* xv. 489). This was the favourite experiment when workhouses were necessary and were established, as for example by Firmin in London, in 1678 (Eden, i. 202 and note). The account of Haines' scheme shows that the class of poor, for whom employment was sought, was not the same as the able-bodied vagrants whom Stanley had in mind, and for whom Harman provided. Eden, i. 168. Goffe (*How to advance the trade of the nation and employ the poor*, in *Harl. Misc.* iv. 885, a tract which is undated but apparently of the time of Charles II.) and others (*Grand Concern*, in *Harl. Misc.* viii. 581; I. D. in *A Clear and Evident Way* (1650), [Brit. Mus. 1027. i. 16 (6), p. 15], urge that the poor might be employed in connection with fishing; and Yarranton (*England's Improvement* (1677), pp. 47, 56) enunciates different possibilities for different parts of the country, such as bone lace for the girls, toy-making for the boys, and iron working. In Guilding, *Records of Reading*, much information will be found about the workhouse and stock for employing the poor, but apparently the utensils were sold and the scheme abandoned in 1639. *Ib.* iii. 455.

⁵ The subject was mentioned in the King's Speech, 16 Nov. 1699, and a committee of the House of Commons was appointed to deal with it (C. J. xiii. 4). Cary, *A Proposal offered to the Committee of the Honourable House of Commons appointed to consider of Ways for the better providing for the Poor and setting them on Work* [Brit. Mus. 1027. i. 18 (6)].

⁶ Davenant, ii. 207.

⁷ Eden, i. 244, 245.

⁸ *Ib.* 239.

⁹ *Ib.* 248.

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were tried
in many
towns.

1705, but no general Act was passed: though an important experiment was tried in Bristol¹, and the different parishes in the city were incorporated and proceeded to erect a workhouse for employing their poor. The Bristol scheme appears to have been carried through by Mr Cary, who was then a well-known writer on commercial subjects; within a very few years the example, which had been set at Bristol, was followed at Exeter, Hereford, Colchester, Hull, Shaftesbury, Lynn, Sudbury, Gloucester, Plymouth, and Norwich². The Bristol experiment was not, however, a pecuniary success; and in 1714 the Corporation found themselves in great difficulties, as they had entirely lost the fund with which they had started.

As a matter of fact, it was extremely difficult to organise an undertaking of this kind in such a manner that it should be a commercial success. This had not been easy, even in the Elizabethan period; but the more industrial organisation and industrial skill developed, the more difficult must it have been to set the casual and untrained poor on remunerative work. According to Defoe³ the whole attempt was illusory, and could only result in diverting occupation from the frugal and industrious who were employed in the ordinary course of trade, and subsidising the lazy and inefficient. His criticism sufficed to kill the magnificent scheme of that ingenious projector Sir Humphry Mackworth, whose Bill for establishing a factory in every parish, after being passed by the House of Commons, was dropped in the House of Lords. But the advocates of providing employment were not daunted⁴; a much humbler plan of a similar kind⁵ was

The establishment

¹ John Cary, *An Account of the Proceedings of the Corporation of Bristol* (1700). The children could not spin woollen yarn so as to pay for their own keep until they learned to spin it specially fine, p. 18. ² Eden, i. 257.

³ *Giving Alms no Charity*, in *Genuine Works*, ii. 485.

⁴ L. Braddon, *Particular Answers to the most Material Objections made to the proposal...for Relieving, Reforming and Employing the Poor of Great Britain* (1722). Brit. Mus. 1027. i. 18 (7).

⁵ A mass of very interesting information on the workhouses in England, their history and management, will be found in *An account of several workhouses for employing and maintaining the poor* (1726), Brit. Mus. 1027. i. 18 (9). It appears that there were about 124 workhouses known to the writer in different parishes in England at this date. The distribution is very curious. They were mostly concentrated in Essex, Hertfordshire, Northamptonshire, Bucks. and Bedfordshire—

brought into operation in 1723¹; it empowered a parish, or a union of parishes, to erect houses for the lodging and employing the poor. The plan was often adopted of letting the house to contractors, who either undertook the care of the poor, as a whole, for a definite sum², or provided for them in the workhouse, at so much a head³; they sometimes gave out-door relief, but those who farmed the poor per head appear to have put great pressure on the poor to go into the houses⁴. The immediate effect of the introduction of this as well as in Middlesex. There was only one each in Lancashire, Lincolnshire, Norfolk, Suffolk, Warwickshire, Wiltshire and Worcestershire.

¹ 9 Geo. I. c. 7.

² Sir Frederick Eden reports of Stanhope in Durham in 1796: "The poor have been farmed for many years: about 25 years ago they were farmed for £250, but the expense has gradually increased since that period; the year before last the expense was £495 and last year £494; and the Contractor says that he shall lose £100 by his last bargain, and will not take the poor this year under £700. Twenty-two poor people are at present in the house, and 100 families receive weekly relief out of it; these out-poor the Contractor says will cost him £450 for the year ending at May Day last. The Poor-house was built about fifteen years ago; it is, like most others in the hands of Contractors, in a very dirty state."

³ At Newcastle, according to Eden, writing in 1796, "the Gateshead contractor is allowed 2s. a head for each pauper in the poor-house, and his earnings. The parish house in addition gives him this year a gratuity of £10, but it is supposed he will be a considerable loser by his bargain." *Ib.* 554.

At Downham in Norfolk there was a combination of those systems. "The poor are partly farmed. The contractor has the use of 4 acres of land, and a workhouse in which he maintains such poor as the parish please to send him. They find beds, &c. and clothe the poor, when they go into the house; but the farmer provides clothing during their residence with him. He is paid £95 a year provided their number does not exceed 20, and for all above that number 2s. a week each, he is likewise entitled to their earnings. * * * The officers give weekly allowances to such poor as can support themselves upon a less sum than what is charged by the master of the poor-house." *Ib.* 450.

⁴ The effects of the two systems of farming as practised in different counties on the Welsh border is discussed by Mr A. J. Lewis. "It is to be observed, that the mode of farming the poor as practised in Monmouthshire is materially different from what obtains in Shropshire and Herefordshire. In the former the practice is to contract for the farming of the poor, impotent and able-bodied, at a gross annual sum; in the latter, the parish enters into an agreement with the governor or manager of the workhouse to allow him a certain sum per week for each pauper relieved in the workhouse, and in general the agreement specifies the quantity and quality of the food with which each pauper is to be daily supplied. The effects of the two systems are also different; in the latter it is the interest of the contractor to get as many paupers into the workhouse as he possibly can; in the former, he admits as few as possible. The person who is allowed a given sum per week for each pauper relieved in the workhouse finds, that the more he has to maintain the greater is his profit. He who contracts to maintain them at a gross annual sum, saves more out of that allowance by keeping the poor out of the workhouse, for the poor invariably prefer the smallest pittance as out pensioners rather than

of work-houses and the system of farming the poor

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system was a great decrease of the rates; but there were difficulties in carrying on such establishments satisfactorily¹, and the condition of some of the houses which survived in 1833, where the poor were huddled together without distinction of age or sex, was disgraceful in the extreme².

checked the
increase of
rates,

Though the establishment of these institutions did not realise the expectations of their promoters, they served indirectly to check the increase of pauperism. Overseers were empowered in 1723 to refuse relief to persons who would not enter the houses, and there was in consequence a great check upon the growing expenditure on the poor. The decline in the rates during this period is sometimes spoken of as a proof of the flourishing condition of the labourer in the eighteenth century; more probably it merely indicates the increased stringency on the part of the officials.

as did
the war
on cottages.

This was shown, not merely in the diminution of the charge for maintenance, but in the war which was carried on, in many parishes, against cottages. There was a regular crusade against the half-vagrant, half-pauper class that subsisted on the commons; and the tendency of the authorities

enter the workhouse, and the fact is, that what the contractor gives a pauper in the shape of allowance out of the workhouse, is not by a half or a third so much as it would cost him, were he to maintain such pauper in it. Hence it is that in the parishes in Monmouthshire you will find the workhouses almost deserted. Their workhouses or poorhouses seem scarcely to answer any other ends, but that of terrifying paupers into a willingness to accept the quantum of allowance the contractor may think fit to offer them." *Reports*, 1884, xxviii. 664.

¹ Henry Fielding wrote on the subject in 1758 in a *Proposal for making an effectual Provision for the Poor*. The experience of half a century as to the management of workhouses and the trades which could be carried on in them was summed up by Mr W. Bailey of the Society of Arts in his *Treatise on the Better Employment of the Poor* (1758). Pennant writing in 1787 speaks with much enthusiasm of the large house of industry in the Isle of Wight, and enumerates the employments. *Journey*, II. 156.

² The Chatham case was particularly bad (*Reports*, 1884, xxviii. 224), also the management of Preston in Sussex (*ib.* 589), and in some of the large London parishes the authorities had not sufficient powers to cope with the hardened offenders, *ib.* 78. The commissioners reported that in by far the greater number of cases the workhouse "is a large almshouse in which the young are trained in idleness, ignorance and vice; the able-bodied maintained in sluggish sensual indolence; the aged and more respectable exposed to all the misery that is incident to dwelling in such a society, without government or classification, and the whole body of inmates subsisting on food far exceeding both in kind and in amount, not merely the diet of the independent labourer, but that of the majority of persons who contribute to their support." *Reports*, 1884, xxvii. 81.

was to treat their poverty as a crime. The local administration was carried on in the same spirit, for every overseer seemed to regard it as his primary duty to keep down the rates at all hazards¹. The policy proved successful in its main object, though at what expense of suffering we shall never know. Under the influence of the workhouse test and the harshness of overseers the sums expended in poor relief diminished from £819,000 in 1698² to about £689,000 in 1750.

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—1776.

but at the
cost of
much
suffering.

The last half of the eighteenth century saw the beginning of a reaction against this stringent administration of poor relief; the change was not merely due to the ebb and flow of sentiment, but was to some extent justified by intelligent consideration of the causes of pauperism. If it had been true to say that all poverty was due to the fault of the distressed and his idleness, there would have been some excuse for insisting that the poor should be treated harshly. But as Joseph Massie showed most clearly, distress did not always arise from the fault of the sufferers, but sometimes from their misfortune. He pointed out that the tendency of the new development of manufactures³, as well as the effect of enclosure on the tenantry, was to divorce the poor man from the soil, and to expose him to risks from all the uncertainties of business. "Many People are reduced to that pitiable Way of Life, by Want of Employment, Sickness or some other Accident; and the Reluctance, or ill Success, with which such unfortunate People do practise begging, is frequently manifested by a poor and emaciated Man or Woman being found drowned or starved to Death, so that though Choice, Idleness, or Drunkenness may be reasons why a number of people are Beggars, yet this Drowning, and perishing for Want, are sad Proofs that the general cause is Necessity. And if any person thinks those Proofs are insufficient, the great Numbers of Thieves, and Pick-pockets which daily infest this metropolis, will put the Matter beyond all Doubt; for their not being Beggars

Since some
persons
fell into
poverty
through no
fault of
their own.

¹ See below, p. 768.

² See above, p. 562 n. 4, and 571, also 608 and 688 below.

³ Samuel Richardson in his additions to Defoe's *Tour* notes the heavy poor rates at Bocking in Essex in consequence of the decay of manufactures (1742), I. 118. See above, 562 n. 4.

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owing to
the fluctua-
tions of
trade,

instead of Thieves, etc., is owing to the different Effects which Necessity produces in different People, according to their Turn of Mind, Time of Life, etc., and not to another Cause¹." The peasant with his own holding was rooted to the soil, the labourer who worked for wages was dependent upon trade. "The Real Strength" of a country, he says, "doth not consist in the Number of Men who live there, but in those who Defend it; and the Source of that astonishing Disparity between the One and the Other in England, is Removing multitudes of people from our natural and fixed Basis, Land, to the Artificial and Fluctuating Basis, Trade²." His insight was abundantly justified, in the evil days of the Industrial Revolution, and he gave expression to a feeling which many people shared, and which eventually found expression in parliamentary enactments.

there was
a reaction
against
stringent
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tration in
1782,

The turn of the tide was marked by the passing of Gilbert's Act in 1782³. At the Restoration the parishes of England had been armed with powers for defending themselves against the poor⁴; on the eve of the Industrial Revolution, facilities were given for granting relief lavishly. The new Act was an experimental measure, and did not apply to the whole country, but only to those parishes which decided to adopt it, and to unite with others. In these new Incorporations the practice of contracting for the labour of the poor was brought under strict supervision; able-bodied men were not set to tasks in the house, but were encouraged to take such employment as they could get in the district, and might have their wages supplemented by parochial allowances. The work-house test practically ceased to operate, since the houses in the Gilbert Unions were employed for the reception of the impotent⁵ rather than as Houses of Industry. At the same time, the responsibility for carrying out the provisions of the measure was transferred from the parochial officials to men of better social status⁶, who, as guardians and justices of the peace, acted for the several parishes combined in a Union; in the districts where Gilbert's Act was adopted, the churchwardens and

¹ *A Plan, etc.*, 50.

² *Ib.* p. 69.

³ 22 Geo. III. c. 83.

⁴ Sir G. Cooke, *Report on the Law of Settlement*, in *Reports*, 1851. xxvi. 251, printed pag. 57.

⁵ *Parl. Hist.* xxii. 801.

⁶ T. Gilbert, *Considerations on the bills for the better relief of the poor* (1787), 18.

overseers ceased to be concerned in the relief of the poor farther than by the collection of rates. It may almost be said to have established a new system which was based on new principles, and which existed side by side with the old, according as different parishes exercised their local option¹. The confusion in the whole of the arrangements was farther confounded by the special provisions which were adopted in various towns and districts under the authority of private Acts of Parliament.

A farther relaxation of the severity of the system, as it had been administered in the greater part of the eighteenth century, was effected by modifying the unfair restrictions which the law of settlement placed on the artisan. The tyranny of the overseers had been specially felt by such new-comers in a parish, as might become chargeable at some future time; but in 1795, an Act was passed which protected them from interference, until they actually became chargeable. This measure did not render it easier to obtain a new settlement; but it enabled labourers to live and work in any parish, so long as they could pay their way and did not come upon the rates; and it protected them from the cruelty of sudden and injudicious removal, if, through sickness, they did become dependent on parochial relief². These relaxations were in themselves harmless, but they prepared the way for that granting of lavish relief, in the early part of the nineteenth century, which led to the growth of a pauperised class of a new type, and one which proved more difficult to deal with than the half-criminal, half-pauper cottagers on the commons had been. The provision of maintenance on the land for persons, who were under no obligation to work, could not be extended indefinitely; but the lavish distribution of outdoor relief seemed to have unlimited possibilities of mischief. It pauperised a large proportion of the rural poor and contaminated many other persons as well, before it was effectively checked.

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and
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settlement
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granting of
lavish
relief more
common.

¹ At first very little use was made of it (Young, *Considerations on the subject of Poor houses*, 1796, p. 29); before 1834, 924 parishes had adopted it.

² 85 Geo. III. c. 101. *An Act to prevent the removal of poor persons until they shall become actually chargeable*. The attempt to remedy hardships, by 8 and 9 W. III. c. 80, had proved ineffectual.

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✓ *The encourage-
ment of the
English landed
interest*

237. Such were the changes at work within the realm, but the encouragement given to particular interests at home affected other parts of the British System. The systematic efforts of the legislature to increase the shipping and foster the industries of Great Britain had a marked, and, to some extent, an injurious effect upon the development of the American and West Indian plantations. These colonists were scarcely touched by legislation in regard to the English landed interest, except in so far as the protective tariffs, imposed by the Restoration Parliament, prevented them from establishing a trade in cereals. The case of Ireland was entirely different: the sister island had suffered severely from the Navigation Acts, and from the repression of her industries; but the chief grievances of which she had cause to complain arose from the agricultural, rather than from the industrial, or commercial, policy of the British Parliament. In climate and position Ireland is so far similar to Great Britain that her products entered into direct competition with those of the English soil. Probably nothing did greater harm to Ireland than the system of bounties by which English corn-growing was encouraged. The English farmer found it profitable to grow corn, and with the help of the bounty he was able to export it to Dublin, at rates which defied competition in a country where wheat-growing had made but little progress. The very same measure which encouraged the application of capital to the English soil, rendered it utterly unprofitable to invest money in improving the cultivation of Ireland¹. The graziers had suffered under Charles II.; wool-growing was less profitable than it would have been, if the drapery trade had had a fair chance; while tillage was depressed by the English bounties. The backward condition of agriculture, despite the excellence of the soil, made a very deep impression on Arthur Young, and the causes are fully described by Mr Newenham. "The different disadvantages which the agriculture of Ireland laboured under * * * had, almost necessarily, the effect of preventing an accumulation of

*reacted unfavourably
on Irish
land-
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ment,*

¹ For an exceptional case of cultivation for export, see Pococke, *Tour in Ireland* in 1762, p. 54.

capital among those who, with a view to a livelihood, ^{A.D. 1689} were principally concerned in that pursuit. The wealthier occupiers of the land were generally engaged in the business of pasture; and the profits thence accruing to them were, for the most part, expended in the purchase of those articles, which the prevailing practice of excessive hospitality required; seldom or never in agricultural projects. Several of the country gentlemen pursued tillage in their respective demesnes with some spirit and some skill, chiefly with the view of supplying the demands of their families; but few of them extended their views to the augmentation of their rentals, by the improvement of the waste and unproductive land which they possessed. * * The generality of them in Ireland could not, or at least thought they could not, conveniently abridge their annual expenses, in such a manner as to enable them to collect a sufficient capital for carrying into effect extensive plans of improvement; and many of them were probably deterred from adding to the burdens of their encumbered estates by borrowing money for such a purpose. The tillage of Ireland for home supply, for there was not sufficient encouragement held forth to cultivate corn for exportation, was chiefly carried on by those who engaged in it with no other capital than the aid of three or four lusty sons as partners, whose united endeavours were directed, during their short leases, to extract from the land as much as the condition in which they found it would admit of; and whose annual profits, hardly earned, after defraying the trivial expenses of their food and clothing, were very rarely sufficient to qualify them for any agricultural undertaking which seemed likely to be attended with even moderate expense. Hence it happened, that the waste land of Ireland, presenting such an immense source of wealth, was left almost neglected until near the close of the last century¹. We may here see the greatest of the evils which was brought upon Ireland by absenteeism. In England during the eighteenth century the "art of agriculture progressed by leaps and bounds, and this was due to the fact that during the eighteenth century the great landowners were the most zealous students of agriculture, and the boldest experi-

and few of the land-lords devoted capital to improving tillage,

¹ Newenham, *View of the resources of Ireland*, 76.

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mentalists in new methods of culture¹." Absentees could take no such interest in their estates; and the existing laws did not ensure such profit to the agriculturist as to render tillage a tempting investment in Ireland. The trivial bounties² which were eventually given on export (unaccompanied as they were by any protection against the constant importation of bounty-favoured corn from England) did not render tillage profitable. Landlords were on the whole opposed to it³, and the measures, which tried to force them to adopt it, remained a dead letter⁴. It was not till England had begun to lose her position as a European granary, and the necessity for import was coming to be regularly felt, that Ireland was put on anything like an equality with her in regard to the encouragement of corn-growing⁵.

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The landed men, in the pasture counties of England, were inclined to be jealous of the favour extended to their corn-growing compatriots; and this made them all the more eager to obtain protection against the competition of Irish graziers. Their success in prohibiting the legitimate trade in Irish wool, and Irish provisions, was most detrimental to the economic interests of the realm as a whole; Irish wool was smuggled to the continent in considerable quantities, and supplied the staple material for manufactures which threatened to rival our own⁶, while the Dutch and the French had the advantage of providing their ships on easy terms with Irish victuals, since there were so many hindrances to the purchase of them for English vessels⁷; but the landowners in the grass counties were inclined to demand farther protective measures⁸.

¹ Thorold Rogers, *Agriculture and Prices*, v. p. vii.

² Newenham, 124, 180.

³ *Ib.* 128.

⁴ 1 Geo. II. c. 10 (Irish); Newenham, 128.

⁵ 19 and 20 Geo. III. c. 17 (Irish); Newenham, 142.

⁶ See above, pp. 374, 378.

⁷ Ireland had been allowed a direct trade with the colonies in 1680, but this permission was withdrawn by the terms of 22 and 23 C. II. c. 26, and 7 and 8 W. III. c. 22. The first relaxation of this restriction, 4 Geo. II. c. 16, only enabled her to procure rum on easy terms from the West Indies, and this again may be represented as sacrificing native distilling to a trade in which much English capital was invested (Newenham, 100). It also encouraged the Irish to purchase West Indian products from the French Islands; and to pay for them by victualling French ships. Caldwell, *Enquiry*, in *Debates*, 771.

⁸ W. Allen, *The Landlord's Companion* (1742), p. 21.

It is also true that the forests in Ireland were ruthlessly wasted, at a time when anxiety was keenly felt in regard to the preservation of English woods. The English iron manufacturers, suffering as they did from dearness of fuel¹, were glad to have smelting carried on elsewhere, so long as they had advantages in working up the material provided for them. In 1696 and 1697 the duties were removed from bar iron imported into England from Ireland²; this led to a rapid destruction of the Irish forests³; though various measures were taken to prevent it, and to promote the planting of trees, they proved utterly ineffective. Not only so, but the exportation of timber to England was permitted on very easy terms⁴, and as a result the forests of Ireland were absolutely ruined. As Ireland had at one time been specially well provided with the materials for building, fitting and provisioning ships⁵, this wanton waste prevented her from taking the part she might have otherwise done in the work of ship-building or in the shipping trades. In brief it may be said that all the encouragements, which were given in England, acted as positive discouragements to the development of Irish estates, and that she derived no countervailing advantage for the disabilities which were imposed upon her by the British system.

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XVII. THE BEGINNING OF THE END.

238. The Declaration of Independence has had many results; for our purposes it is important to note that it occasioned a revulsion in the economic policy of this country. Parliamentary Colbertism had aimed at controlling the development of all the territories under British rule in such a way as to react on the prosperity of British industry. When the thirteen colonies threw off the authority of the Mother

The separation of the American colonies broke up the British commercial system,

¹ On the other hand, the glass manufacture in England had an exclusive right to the exportation of glass; the prohibition of export hindered the development of an Irish trade, though the country was especially suited for it, until 1779. Newenham, *op. cit.* 104, 192.

² 7 and 8 Wm. III. c. 10, § xvii., and 8 and 9 Wm. III. c. 20, x.

³ The manufacturers subsequently agitated for the admission of bar iron from America. See above, p. 526.

⁴ 2 Anne, c. 2 (Irish); Newenham, 153-4.

⁵ *Id.* 156.

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*and dis-
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*Economic
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Country, a most important member of the body economic was lopped away. It was no longer possible to control this great branch of commerce so as to render it subservient to the promotion of English manufactures. The system had fallen to pieces and was at once discredited, since it seemed to have brought about a blow to British prestige.

The economic effects of the severance were far reaching; but the extent to which economic causes contributed to bring about the revolt of the Americans has been exaggerated. Contemporary observers, and later historians, have been accustomed to insist on the commercial and industrial grievances of the colonists, as not only the occasion, but the principal reason of their determination to break with the Mother Country. There was no other obvious ground for their decision; they had no religious disabilities, and they had a large measure of political self-government; it seemed as if the secret of their dissatisfaction must have lain in the galling nature of the control exercised over their commerce and industry. That they had grievances is true, and for these the Parliamentary Colbertism of the Whigs is undoubtedly to be blamed¹; but Professor Ashley has shown that the pressure of these annoyances has been over-rated to some extent². The colonists seem to have been not indisposed to accept the restrictions imposed on their trading out of regard to the economic welfare of the Mother Country; it is rather true that the increasing political cleavage rendered the economic situation strained. The colonists felt no duty to contribute from their meagre resources towards the maintenance of any particular interest on the continent of Europe.

The colonial sentiment of attachment to the Crown might possibly have been stronger, if the English Revolution had failed; for it certainly was not transferred to the Hanoverians and their belongings. There were many Englishmen who regretted the fact that their country was so frequently embroiled in continental struggles from which she had little to gain; the colonists were reluctant to sacrifice anything in

¹ See above, p. 481, and 586 below.

² *The Commercial Legislation of England and the American Colonies, 1660—1760, in Surveys, 309—385.*

such a cause, and they were careful to guard themselves against being called on to bear a direct share in the cost. A.D. 1689
—1776.

Comparatively slight economic grievances sufficed to rouse the colonists to throw off their allegiance, not only because the ties with English authority were being weakened, but because they were learning to cherish positive political ambitions of their own. The plantations had grown up into vigorous communities with an active life, and they desired to stand alone. The northern colonies had been forced in self defence to rely to some extent on local industries, and they could see their way to a position of economic independence. It was because of the healthy activity, which they had developed under British tutelage, that they cherished aspirations after a freedom from control which should give them the opportunity of realising their own ideals. The Pilgrim Fathers had gone to the New World in the hope of carrying out their own views of what religious life ought to be¹; by joining in the Declaration of Independence, their descendants in New England seized an opportunity of claiming the right to work out their own ideals of political life, apart from the conflicts and entanglements of the Old World. This was the positive aim in the minds of the leading men of the time, and any economic grievance sinks into insignificance by its side. In so far as economic causes affected them at all, it was chiefly because the extent and resources of their country rendered the colonists self-reliant. The men of Massachusetts had a consciousness of their own economic independence as a community, which gave them confidence in asserting a claim to follow their own political destiny for themselves. The New Englanders had little sense of obligation² to the Mother Country. In the early days the pioneers had cleared the ground, and fought against the Indians; bit by bit their descendants had pushed farther into the continent; they had taken an active part in the struggle with France, and had proved their capacity in

¹ Religious ideas did not enter very largely into the struggle, though the fear that they would lose their uncontrolled position by the introduction of an episcopate was a motive which influenced the ministers to take the side of independence, in a way that the educated classes generally were loth to do.

² On the other hand the people of England were very much impressed by the sacrifices they had made for the plantations.

A.D. 1689
—1778.

*without
British
protection.*

the field. When at length the French power was broken at Quebec, the colonists felt that they could hold their own on an enormous continent; it was inconceivable that they should look again to anyone but themselves for protection against a foe. Hence the authority of the Mother Country was entirely sapped; it could only have been permanently maintained by a constant exercise of wisdom on the part of the Government at home, and by the highest tact on the part of its representatives in America. It was not from grievances caused by economic dependence, but from the economic strength of the colonies, that the desire to sever their connection arose¹, and it may be doubted whether any concessions in the way of Parliamentary representation would have rendered them content to remain in a condition of political dependence, for all time.

*The prin-
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British
system*

The economic treatment of the colonists by the Mother Country doubtless gave rise to some inconvenience; we cannot gauge its full extent. The principles on which it rested however, were not in themselves unreasonable; no serious statesman would have expected a country to tolerate hostile competition on the part of its dependencies; but the principles were applied to the colonies in a manner which rendered the action of the Mother Country irritating to all sections of the community.

*were
applied in
America,
so as to
affect
consumers*

The enactments for Ireland had been a blow to certain producers, and stamped out trades that were beginning to flourish; but in America, the grievance was chiefly felt by the consumers, who had to pay very heavily for all their clothes and implements. The duties which were levied on their raw produce and fish, after the Restoration², put them to considerable straits to find goods with which to purchase stores; and they had begun to manufacture as well as they could, because of their inability to buy. Had they been permitted to manufacture for the local demand, they might possibly have acquiesced in any legislation which prevented

*of manu-
factured
goods*

¹ This danger had been indicated by various writers. Compare Child's argument in support of the thesis "that New England is the most prejudicial plantation to this kingdom." *New Discourse of trade* (1694), p. 212. Gee, *Trade and Navigation of Great Britain* (1767), p. 178.

² Beer, *Commercial Policy of England*, 74.

them from competing with the Mother Country in other markets. But the statesmen of the period appear to have thought that it was easier to prevent these industries from coming into existence at all, than to control them when once they were planted, as they had tried to do, not very successfully, with the manufacture of hats¹. With this view they endeavoured to prevent the migration of skilled artisans² to the colonies, and to reserve the colonial market as a monopoly for English producers. During the period of Whig ascendancy these principles were applied in turn to the woollen trade³, and to iron-manufactures, for which one or other of the colonies were admirably adapted. The policy of stimulating English industry was pursued with ruthless consistency, and constituted an economic grievance from which all the colonists suffered somewhat, and which many of them resented.

Whether the economic grievances were great or small, we can hardly regard them as the determining cause, when we look either at the incident which brought about the breach, or at the line along which the cleavage took place. Economic considerations had very little to do with the Boston tea party⁴; the colonists resented the exclusive privileges of the East India Company, but the disabilities of which they complained extended to all private shippers in Great Britain as well. Nor was the new duty in any way oppressive.

¹ This industry was carried on in London by a very limited body, who probably kept prices up; the London hatters managed to get an Act in their favour (5 Geo. II. c. 22), but this American industry appears to have been the only colonial manufacture that developed enough to compete with the mother country. Beer, *op. cit.* 82.

² A stringent measure was passed in 1718 which prohibited artisans from going across the sea at all, and insisted that those who had done so should return (5 Geo. I. c. 27, *An Act to prevent the inconvenience arising from seducing Artificers in the Manufactures of Great Britain into foreign parts*). Compare the *South Sea Kidnapper*, by J. B. (1790), for Spanish attempts to entice away our artisans. See also below, p. 755.

³ Beer, *op. cit.* 78.

⁴ "One fact is clear and indisputable: The public and avowed origin of this quarrel was on taxation. This quarrel has indeed brought on new disputes on new questions; but certainly the least bitter, and the fewest of all, on the trade laws. To judge which of the two be the real, radical cause of quarrel, we have to see whether the commercial dispute did, in order of time, precede the dispute on taxation? There is not a shadow of evidence for it." Burke, *Speech on Conciliation with America*, in *Works*, I. 193.

A.D. 1689
—1776.

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Pains had been taken to render the tax on tea a charge that was little more than nominal, and that would hardly affect the consumers'. The destruction of the chests was the act of a community, conscious of its own vitality, and determined to protest against the control of any outside authority, whether king or parliament. The first blow was not instigated by economic motives, and the lines of cleavage in the colonial possessions had no perceptible connection with the areas which were exposed to the pressure of grievances under the British System. The sugar and the tobacco plantations, which had received very similar care, took opposite sides; so, too, did Canada and New England, which had developed under very similar economic conditions. It was unintelligible to the English colonists that the French settlers should not be ready to take the opportunity of throwing off a yoke that had been so recently imposed; but the Canadians were deeply embittered against their neighbours in America, and had no special grudge against King George III. Little cause as the Canadians had to love the British Crown, they had far more grounds for resentment against the patrons of the Five Nations, and would not make common cause with their English-speaking neighbours. The responsibility for the desolation of Acadia¹ was held to lie, not so much with the English Government, as with the contractors and sailors who had carried off the *habitans*, and scattered them in the English plantations. Physical contiguity and social antipathy defined the lines along which the colonial system split up, and economic grievances were hardly perceptible in connection with the actual breach.

*British
statesmen
were led*

239. Economic and fiscal objects had determined the course taken by British statesmen themselves², but their belief

¹ Fiske, *War of Independence*, p. 80.

² The judgment of Burke and the picture drawn by Longfellow seem to me to be substantially correct. Parkman has attempted to justify the deportation of the Acadians (*Montcalm and Wolf*, 1901, i. 284), but he was not acquainted with some of the most important documentary evidence which has been more recently printed by Casgrain. The British Governors prevented the Acadians from exercising the right of emigration to French territory which had been secured to them by the treaty of Utrecht; the Acadians were forced to remain unwillingly on British soil, and then punished because of their divided loyalty. Casgrain, *Un pèlerinage au Pays d'Évangéline*, p. 112.

³ See above, p. 424.

that economic grievances were the fundamental reason for the revolt, on the American side, appears to have been mistaken. Still, this opinion had immediate and important results on the remaining members of the colonial system, especially in the country which had suffered most severely from British economic policy¹. In 1779 Lord North endeavoured to remove the main commercial disabilities of Ireland²; and after 1782, when the Nationalist movement had been so far successful as to obtain a fuller Parliamentary freedom³, a serious effort was made by the Irish to imitate the policy that had been adopted in England, and thus to foster their agriculture and industry.

A large number of measures, with these objects in view, was passed in the Parliamentary session 1783—4; but it is not clear that sufficient pains were taken to consider the real requirements of the country. This objection may certainly be made in regard to the Act which followed the English policy of giving bounties on corn. The circumstances of the two countries were somewhat different; for corn did not constitute the food of the Irish peasant, who subsisted chiefly on potatoes; premiums on the growing of corn were a boon to farming as a trade, but did not directly maintain the food supply of the country. Hence the political bearing of the Irish corn bounties was different from that of the English, even though many of the economic results may have been similar. The bounties gave no encouragement to provide a surplus of food, and no security that a slight failure of the food supply would not result in famine. According to the new law the Irish farmer could count on getting nearly 30*s.* a barrel for his wheat; a bounty of 3*s.* 4*d.* was given on export, when the price was not above 27*s.*; exportation was prohibited when the price was

¹ Burke in 1778 put forward the doctrine that Ireland should be free to use its natural facilities. *Works*, i. 224; Salomon, 100.

² 18 Geo. III. cc. 55 had opened up the colonial trade, and free trade was granted by 20 Geo. III. cc. 6, 10, 18, *An Act to permit the exportation of certain goods directly from Ireland into any British plantation in America, or any British settlement on the coast of Africa, and for further encouraging the fisheries and navigation of Ireland.*

³ By the repeal of Poynings' Law which gave the English Privy Council control over Irish legislation, and of the Declaratory Act (6 Geo. I. c. 5), which asserted the right of the English Parliament to legislate for Ireland. Lecky, *England*, iv. 551.

A.D. 1689
—1776.

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The Irish
in 1788

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Colbertism,

A.D. 1689
—1776.

with regard
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at or above 30s.; and a duty of 10s. was imposed on every barrel of wheat imported when the price was below 30s.¹ Irishmen believed that the effect of this measure was immediately perceived in the stimulus given to agriculture. The exports of wheat and barley rose very rapidly from 1785, and though they fell back for a time in the last years of the century, this may be partly accounted for by political disturbances, partly by the character of the seasons which were most unfavourable, and partly by the rapid development of the Dublin breweries, which offered an excellent home market for cereals. The manufacture of porter in Dublin may be said to date from 1792², and its influence should certainly be taken into account; but even when this is done, it is difficult to see that the bounties of 1784 did more than give a temporary stimulus, or that they really induced any considerable improvement in Irish agriculture by the application of additional capital to the land³.

and
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communi-
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Much greater success attended attempts to utilise the natural facilities of Ireland for internal communication⁴ by water. These had been taken into account many years before, and early in the reign of George I. some undertakers were empowered to improve the navigation of the Shannon⁵. In the reign of George II. commissioners were appointed to devote the produce of certain taxes to this object; and somewhat later, they were formed into a Corporation for promoting and carrying on Inland Navigation in Ireland⁶. They accomplished but little, however, and it was only in 1784 that the matter was heartily taken up, and the work pushed forward energetically, and perhaps extravagantly. The Grand Canal, which connects Dublin with the Shannon, was completed⁷ at an expenditure of more than a million of money; and the navigation of the rivers Boyne and Barrow was improved.

¹ 23 and 24 Geo. III. c. 19, 1783–84 (Irish).

² Newenham, *op. cit.* 227.

³ See the figures in Newenham, *op. cit.* p. 216, and Martin, *Ireland before and after the Union*, 68.

⁴ The roads in Ireland seem to have impressed travellers very favourably. Tyerman, *Life of Whitfield*, i. 147; A. Young, *Tour in Ireland* (1780), ii. 150. On road-making at Letterkenny, compare Pecoche's *Tour*, 58.

⁵ Newenham, 143.

⁶ 25 Geo. II. c. 10 (Irish). Newenham, 147–8.

⁷ Newenham, 202.

So far for internal traffic; but attempts were also made to develop the industries of the country as well. Fishing busses were subsidised, so was the cotton manufacture, and Irish trade increased enormously for a time. Still it may be doubted whether the bounties really brought about this change, and it is certain that they were not the only reason for the new development. At all events they were a costly expedient¹, and the fraud and speculation to which they gave rise² were a serious drawback to the system. It seems probable that the sudden, though brief, expansion of Irish trade was due to other causes which affected her commerce, and especially to the improved facilities which were given for trade with France by Pitt's treaty. Though the custom-house books do not seem to show it, there can be little doubt that the French trade had always been considerable; the "running" of wool had been a matter of constant complaint³, and the claret, which was so lavishly consumed in Ireland, must have been paid for in goods, even if much of it evaded the duty. The decline of the new era of prosperity appears to synchronise with the fresh rupture with France; and the rebellion of 1798, with the subsequent reconquest of Ireland, sufficiently account for the decline.

The changes which had placed the economic life of Ireland outside the control of the British Parliament had created a somewhat anomalous situation. By the new position which Ireland had acquired, in 1782, it became necessary to arrange for the commercial relationships on the basis of a treaty between the two kingdoms, and not, as hitherto, by the regulations which England chose to impose on a dependency. In 1784 a committee of the British Privy Council examined the trade between the two countries, and framed a report which was regarded in Ireland as admirably impartial⁴. Early in the following year a scheme, based upon it, was submitted to the Irish House of Commons and readily accepted by them; but it was not

A.D. 1689
—1776.

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the British
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¹ Martin, 48. Compare Mr Cavendish's motion for retrenchment in 1784, Newenham, 206. This was an old complaint in regard to other bounties. Caldwell, *Debates on affairs of Ireland*, 188, 808, 521.

² Martin, *op. cit.* 43; Newenham, *op. cit.* 206.

³ See above, p. 550.

⁴ Newenham, 253.

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—1776.

and a
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so satisfactory to the English House of Commons; and the draft which contained their amendments roused a strong feeling of resentment throughout Ireland. But the existence of these conflicting views brought out the necessity of creating some ultimate authority which might settle differences as they arose. The English House of Commons had attempted to reserve the power of final decision for England, and this had been the main ground of dissatisfaction with the revised scheme of commercial intercourse. Two other possible arrangements remained; either a legislative union, or the "establishment of a board, constituted of independent commissioners, equally and impartially drawn from both kingdoms¹." This last suggestion was never carried into effect, and a legislative union seemed to offer the only possible solution of the commercial difficulties². The policy of fostering national industry, on which the Irish Parliament had entered, was already discredited in England; and the demands, which were commonly heard in Ireland, for the prohibition of British manufactures³, could not be favourably received in England.

as had been
already
found in
regard to
Scotland.

v

In the first decade of the eighteenth century, the organisation of the Darien expedition had opened the eyes of Englishmen to the necessity of treating Great Britain as one economic community, for the purposes of commerce and colonisation; they had been glad to arrange for Scottish representation as a means of securing this result. In the last year of the eighteenth century Englishmen were becoming convinced that Great Britain and Ireland must also be treated as one community for industrial and commercial purposes, and once more a legislative Union was carried into effect. The representation for which the American colonies had appeared to pine was granted to the Irish⁴, and it might have proved a sufficient remedy in a country that was less distracted by internal differences. In the case of Ireland the grievances had been very serious, but they were merely

¹ Newenham, 255.

² Compare Lord Sackville, *Parl. Hist.* xxv. 877.

³ *Ib.*, 870; Martin, 19.

⁴ On the effects of the Union, see below, p. 845.

economic. There was no positive political ideal which appealed to the various elements of the population alike and which they were anxious to realise. The simplest scheme for preventing the recurrence of economic mischiefs in Ireland, and in regard to its relations to England, seemed to be the absorption of both countries under the control of a single Parliament, in which both were represented and which should treat both alike. A.D. 1689
—1776.

240. The break-down of Parliamentary Colbertism, through the Declaration of Independence in 1776 and the changed policy adopted towards Ireland in 1779, synchronised with the diffusion of certain new ideas of economic policy which were inconsistent with the reconstruction of the Mercantile System in any form. In 1776 Adam Smith published the *Wealth of Nations*, and the argument of that epoch-making book went to show that the principles, on which all systems of national economy had rested, were in themselves untenable. It is not necessary to follow out the interesting investigations which have recently taken place as to the obligations of Adam Smith to other writers, or as to the manner in which his opinions took shape in his own mind¹; we are merely concerned to note their extraordinary practical importance in sapping the foundations of the economic policy which had been in vogue, in our own and other lands, for some centuries. Adam
Smith sup-
plied a
justifica-
tion for
this change;

Till his time the main object, which publicists who dealt with economic topics had had before their minds, was the power of the country; they set themselves to discuss the particular aspects of industry and commerce which would conduce to this end, according to the circumstances of different countries. The requirements of the State had been the first consideration of seventeenth century writers, and they had worked back to the funds in the possession of the people from which these requirements could be supplied. Adam Smith approached the subject from the other end. The first object of political economy, as he understood it, was "to provide a plentiful revenue or subsistence for the by treating
National
Wealth

¹ See the introduction to his edition of Adam Smith's *Lectures on Justice, Revenue and Arms*, by E. Cannan.

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—1776.

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people," the second was "to supply the State or commonwealth, with a revenue sufficient for the public services¹." He simply discussed the subject of wealth; its bearing on the condition of the State appeared an after-thought. He isolated the connection of National Wealth and put it forward as the subject matter of his treatise; and in this way he may be said to have brought into clear light the principles which underlay Parliamentary Colbertism. Those who developed this system had concerned themselves about increasing the mass of national wealth of any and every kind, as the indirect means of securing national power. Adam Smith gave clearness to the notions which were implied in their practice. It was his main achievement to treat national wealth as separable from other elements in political life, and in this way he defined the scope of the scientific study of Economics².

It thus came about that he cut away the political grounds which had been commonly urged for interfering with the ordinary course of business. In former times it had been possible to insist that some kinds of wealth were more important for the promotion of national power than others, and that it was the work of the statesman to play

¹ *Wealth of Nations*, iv., introduction, p. 173.

² By isolating wealth as a subject for study he introduced an immense simplification. The examination of economic phenomena became more definite; and just because Adam Smith achieved this result his work rendered it possible to ask new questions, and so to make a real advance in every direction of social study. Not till we isolate wealth and examine how it is procured and how it may be used, can we really set about enquiring how material goods may be made to subserve the highest ends of human life. National rivalries and national power are but mean things after all; but till the study of wealth was dissociated from these lower aims, it was hardly possible to investigate empirically how we could make the most of the resources of the world as a whole, and how material goods might be best applied for the service of man. It is owing to Adam Smith, and the manner in which he severed Economics from Politics, that we can raise and discuss, even if we cannot solve, such problems to-day.

Similarly, we find the clearest testimony to his greatness in the new form which the old enquiries assumed. He severed economic science from politics; he dealt with it as concerned with physical objects and natural laws. To his English predecessors it had been a department of politics or morals; while many of his English successors recognised that in his hands it had become more analogous to physics, and delighted to treat it by the methods of mechanical science. Whether consciously or unconsciously, he gave the turn to economic problems which has brought about the development of modern economic theory.

on private interests so as to guide them into the directions in which they would cooperate for the maintenance of national power. Sir James Steuart¹ and other writers had attenuated the reasons and occasions for such interference more and more, but Adam Smith swept them away. The military and naval power of a country is clearly distinct from the powers of the individual citizens as separate and distinct persons; but there is no such obvious distinction as regards their possessions. It is at least plausible to say that the aggregate of the wealth of individual citizens makes up the wealth of the nation, and that if each is as free as possible to pursue his own gain the wealth of the nation will be sufficiently attended to, and its power will follow as a matter of course. The concentration of attention on the wealth of the nation renders a thorough-going doctrine of economic individualism possible². When the new conception was once clearly grasped it became obvious that interference with any individual, in the way he conducts his business, can scarcely ever be justified on strictly economic grounds, and that costly attempts to foster exotic trades or to stimulate native industries are on the face of it absurd.

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—1776.

He held that if each were free to seek his own wealth the national wealth would increase,

The standpoint, which Adam Smith thus took, enabled him to render his attack on these special encouragements much more forcible than would otherwise have been the case. In the seventeenth century the agitations for economic and for political liberty had been blended; exception was taken to the special privileges accorded to the Merchant Adventurers and the patentees, because other Englishmen were excluded from certain opportunities of trade. This criticism no longer held good³ during the period of Whig Ascendancy;

and that special encouragements were needless

¹ Sir James is still definitely within the circle of the Mercantilist's ideas, since he holds so strongly that it is wise for the statesman to direct industry and commerce into the right channels; though he realises, as few of his predecessors had done, that this is a most difficult and delicate operation.

² Oncken has pointed out that Adam Smith recognises functions and interests of government which do not belong to any individual, and is thus separated from the standpoint of the Manchester School. *Z. f. Socialwissenschaft*, 1898, I. 1-8; see also Salomon, *William Pitt*, 196.

³ It reappears in the controversies over the East India Company; Fox's Bill would have aborn it of its powers; Pitt's policy was to continue the power and efficiency of the Company, but to bring it under proper control.

A.D. 1689
—1776.

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costly.

all Englishmen were treated alike; Adam Smith's objection was a purely economic one, as to the expense of attempts to encourage industry, and the loss incurred through the misdirection of capital. He attacks all systems for the development of a nation's resources, not on the ground of political unfairness, but simply as a matter of economic expediency. His reasoning went to show, not only that Parliamentary Colbertism had been bad, but that no attempt to reconstruct some better scheme in its place could be advisable.

By his
analysis of
exchange

His new view of the subject matter of the study was all important in its bearing on the internal economy of the country; but still more striking results followed, in regard to international affairs, from his analysis of the nature of the gain which accrues from exchange. From time immemorial men had believed that when a fair exchange took place and each party really gave an equivalent for what he received, there could be no gain to either; each was as well off as he had been, and if either gained it must be because he had not really given an equivalent, but had won something at the expense of his neighbour. By bringing out the subjective aspect of value, Adam Smith showed that in every exchange that occurs, both parties gain, more or less; each obtains something that is more useful to him than the commodity he has disposed of. When this principle is applied to international relations, it appears that there is no need to watch the course of trade with a possible enemy very jealously, in order to ensure that foreigners do not gain at our expense; if each nation benefits by trade, there is comparatively little reason to scrutinise the balance with particular nations closely, and no reason to fear that intercourse with them is strengthening the sinews of their power at the expense of our own. "The wealth" he says "of neighbouring nations, however, though dangerous in wealth and politics, is certainly advantageous in trade. In a state of hostility it may enable our enemies to maintain fleets and armies superior to our own, but in a state of peace and commerce it must likewise enable them to exchange with us to a greater value and to afford a better market either

and of the
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for the immediate product of our own industry, or for whatever is purchased with that produce¹." From his standpoint it was possible to regard international trade, not merely as the fruitful cause of disputes, but as creating economic ties which may tend to political peace. A.D. 1689
—1776.

Many years were to elapse before these new principles could exert their full influence on our commercial policy, but their immediate effect was most remarkable. This was partly due to the extraordinary simplicity and clearness of his treatment as well as to the excellence of the style. But this simplicity was secured by the definiteness of his new conception as to the object of political economy. It had to do with the necessities and conveniences of life, material commodities, definite concrete things. There was much clever compilation in the book, but it made no demand for additional statistics, nor was much stress laid on that impalpable abstraction, the spirit of the nation; and the "disagreeable discussion of metaphysical arguments" was avowedly abjured². It was all to be plain sailing for the man of ordinary intelligence; and within a few months of its publication, the book had become a considerable power. National prosperity and relative superiority were vague and difficult notions, but when the whole discussion was made to turn on wealth, the treatment seemed to be more concrete and definite, and it took hold upon the public mind. Perhaps, however, the most important element in its success lay, not in any of the qualities of the book, but from the manner in which it appealed to each of the great political parties, at a juncture when Mercantilism was discredited and statesmen were at a loss as to the course which should be pursued on pressing economic questions. Adam Smith not only brought into light the underlying principles of Whig Policy, by his new treatment of wealth, but by his analysis of exchange supplied a satisfactory basis for the maxims of trade which had long before commended themselves to the Tories. *he revolutionized current maxims of trade in a way*

241. There has been occasion to enter at some length into the views of Whig statesmen during the long period *that commended itself both to Whigs and Tories.*

¹ *Wealth of Nations* (ed. Nicholson), 201.

² *Ib.* 849.

A.D. 1689
—1776,

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when that party was in power. It is worth while, by way of retrospect, to indicate the line which had been taken by the Tories. Though the various points in the policy of the party have been indicated in contradistinction to the Whigs, no attempt has been made to show the strength of their position, and the coherence of Tory policy as a whole. Their dissent from Whig measures was not the mere negative criticism of an irresponsible opposition. The Tory policy had a definite character of its own, and may be easily contrasted with that of the party who held the reins of power for so long. While the Whigs relied on industry as the main factor in material prosperity, the Tories looked to the land as the element on which the sound political life of the community depended. They were prepared to protect agriculturists from hostile competition¹, but they did not go further. Their main object, so far as the agricultural interest was concerned, was to lighten the pressure of the taxation which fell upon the landed proprietors; they were not convinced that the expenses of government must necessarily be defrayed, directly or indirectly, by the owners of the soil, and they had little sympathy with the policy of stimulating agriculture so that it might sustain this heavy weight. They had no desire to keep the burden and the control of national policy in their own hands. In old days the King had been accustomed to live of his own, with occasional assistance from the subjects, for many centuries; and the Tories saw no valid objection to the continuance of that system. If he could develop a crown domain in Ireland, or in the lands beyond the sea, so much the better, so long as the bonds of political attachment were really strong. The Tories did not share the jealousy of monarchical influence which actuated the country party in their measures towards Ireland.

Nor is it difficult to discern a difference in the position taken by leading men of the two parties, in regard to the American colonies. The Whigs were chiefly concerned with building up the wealth of the mother country, and cared for the colonies in so far as they served this object, but no further.

¹ Compare C. Smith's *Tracts on the Corn Laws*, p. 11.

whip chng. - next time
times more liberal earlier

The Tories on the other hand recognised the political importance of these communities¹, and regarded the measures which secured their economic dependence² with satisfaction, because they believed that this restriction would strengthen the political ties. Events proved that they were mistaken in this forecast; but it is not a little noticeable that Chatham, after his definite breach with the official Whigs in regard to the question of raising revenue from the colonies, gave vigorous expression to views which are in close accord with the traditional aim of the Tories³. He attached the highest

A.D. 1689
—1776.

or of the
economic
prosperity
of the
colonies

¹ According to Davenant, "Colonies are a strength to their mother kingdom, while they are under good discipline, while they are strictly made to observe the fundamental laws of their original country, and while they are kept dependent on it. . . . Our colonies, while they have English blood in their veins, and have relations in England, and while they can get by trading with us, the stronger and greater they grow, the more this crown and kingdom will get by them; and nothing but such an arbitrary power as shall make them desperate, can bring them to rebel." *Works*, II. 10.

² "The principal care will always be to keep them dependent upon their mother country and not to suffer those laws, upon any account, to be loosened, whereby they are tied to it, for otherwise they will become more profitable to our neighbours than to us." *Id.* II. 24. See also p. 476 n. 2, above.

³ See the preamble of his Bill. "Whereas by an Act 6 Geo. III. it is declared, that parliament has full power and authority to make laws and statutes to bind the people of the colonies in all cases whatsoever; and whereas reiterated complaints and most dangerous disorders have grown, touching the right of taxation claimed and exercised over America, to the disturbance of peace and good order there, and to the actual interruption of the due intercourse from Great Britain and Ireland to the colonies, deeply affecting the navigation, trade, and manufactures of this kingdom and of Ireland, and the British islands in America: now, for prevention of these ruinous mischiefs, and in order to an equitable, honourable, and lasting settlement of claims not sufficiently ascertained and circumscribed, may it please your most excellent Majesty that it may be declared, and be it declared by the King's most excellent Majesty, by and with the advice and consent of the Lords spiritual and temporal, and Commons, in this present parliament assembled, and by the authority of the same, that the colonies of America have been, are, and of right ought to be, dependent upon the imperial crown of Great Britain, and subordinate unto the British parliament, and that the King's most excellent Majesty, by and with the advice and consent of the Lords spiritual and temporal, and Commons, in parliament assembled, had, hath, and of right ought to have, full power and authority to make laws and statutes of sufficient force and validity to bind the people of the British colonies in America, in all matters touching the general weal of the whole dominion of the imperial crown of Great Britain, and beyond the competency of the local representative of a distant colony; and most especially an indubitable and indispensable right to make and ordain laws for regulating navigation and trade throughout the complicated system of British commerce, the deep policy of such prudent acts upholding the guardian navy of the whole British empire; and that all subjects in the colonies are bound in duty and allegiance duly to recognise and obey (and are hereby required so to do) the

A.D. 1689
—1776.

so long as
political
control was
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tained.

importance to the maintenance of the political connection with the Americans, as establishing a barrier against Bourbon pretensions. The dream which he indulged of an empire of federated constitutional monarchies¹ was premature; even with the greater facilities for communication, the development of democratic institutions at home, and of responsible government in the colonies, the problem of imperial rule is difficult enough. It may be doubted whether any statesman could have controlled the forces that made for disruption; but it was undoubtedly the policy of the Whigs, and the stress they laid on fiscal and economic objects, that occasioned the breach.

The Tories
desired to
distribute
the burden
of taxation.

The differences between the Whigs and Tories are also noticeable when we turn to a consideration of fiscal policy. The Tories were in favour of placing the finances of the country on a broad basis, so that all classes of the community should contribute towards the expenses of the state². They were anxious that the moneyed men should pay their quota; though the difficulties of organising a system of assessment, which should include them, proved insuperable in the seventeenth and eighteenth centuries. They were also inclined not to prohibit the French trade³, or any branch of commerce, but to make it a source of supply, and they desired to adjust the tariff for revenue purposes, rather than with regard to its ulterior effects on industrial development. So far as their fiscal policy was concerned, they were inclined to look at the immediate results; the Whigs carried economic analysis farther, and laid stress on the ulterior and indirect effects of the course which they advocated.

and were
not con-
cerned

With the fostering of manufactures the Tories had not much sympathy; with the planting and nourishing of

supreme legislative authority and superintending power of the parliament of Great Britain as aforesaid." Chatham, *Correspondence*, iv. 533, 534.

¹ Hubert Hall, *Chatham's Colonial Policy*, in *American Historical Review*, v. 679. An interesting plea for an Imperial Parliament will be found in an anonymous *Letter to Dr Tucker on his proposal for a separation*, 1774. Brit. Mus. T. 691 (8).

² See above, p. 425. The opposition of the Tories to the abandonment of the Hearth Tax in 1689 may have been merely factious as Dalrymple asserts (*Memoirs*, part II. p. 10), but it certainly accorded with their fiscal principles.

³ See above, pp. 456, 458.

exotic trades they had none. Manufactures, which worked up native products, were advantageous in many aspects, but even these the Tories did not view with much enthusiasm. Where industry was organised on the domestic system, and the artisan had by-occupations available, there was little risk. But the existence of a large wage-earning body of artisans was a cause of considerable anxiety, especially in times of bad trade, and added largely to the numbers of those who might be chargeable to the rates¹.

A.D. 1689
—1776.
to promote
manu-
factures.

On the whole it may be said that the Tories regarded trade from its immediate effects on the consumer, while the Whigs endeavoured to look farther, at its ulterior effects on the development of the country. Since they were indifferent to the fostering of industry, the policy of the Tories appears to have some affinity with the *laissez faire* views which eventually triumphed; and to a certain extent this was the case. The Tories were content to let things develop slowly, and took no keen interest in active measures to stimulate either agriculture or industry. That the Whigs made grievous mistakes is true, but it is also true that the main object they had at heart was achieved to an extraordinary extent, during the period when they were in power². At the time of the Civil War, English industry was but little developed, and English agriculture was very backward. When the *Wealth of Nations* was published, both had advanced enormously. We may condemn the artificial stimulus Whig measures induced, while yet we recognise the advantage of a forward policy. The principles of the Mercantilists had been more compatible with pushing trade, and with progress, than those of the Bullionists, and survived. The principle of Joint Stock enterprise had been more favourable to the energetic development of commerce than the rules of regulated Companies, and these had practically disappeared. In so far as economic interests helped to determine political issues, the Whigs came into power and maintained their position, because they were eager to stimulate material progress both in rural and urban employments.

The re-
sults of
applying
Whig prin-
ciples had
been
immense,

¹ See above, p. 562 n. 4, and 571, 577; also 638 below.

² Salomon, *William Pitt*, 64.

A.D. 1689
—1776.

*but the
country
had out-
grown
them,*

*and Pitt
was well
advised in
discarding
them*

Even those students who sympathise most strongly with the policy pursued by the Whigs, as expedient at the stage of national development which England had reached at the Revolution, may yet be willing to admit that the country had outgrown this phase before 1776, and that the rules of the mercantile system were proving unnecessary and noxious. The swing of the pendulum brought Chatham and Pitt, who inherited much of the tradition of Toryism, into power; and under the influence of the younger Pitt, the system the Whigs had built up was discarded, and the economic policy of the country was completely recast on lines which were in accordance with the commercial and fiscal policy that had been advocated by the Tories.

*and re-
verting to
the Tory
tradition,
as to the
benefit of
trade*

It had been the fundamental principle of Parliamentary Colbertism that commerce should be regulated so as to react favourably upon native industry. But there is another view of the benefit conferred on a nation by commerce; we may desire to extend trade because of the increased supply of the comforts of life which it brings from abroad to the consumer. This had been a recognised object of policy since the time of Edward III.¹ and it had been consciously adopted by the Tory party in their advocacy of facilities for trade with France, especially in 1713². They had been out-voted then, but under changed circumstances their policy was carried into effect in 1786³. The Physiocrats had overthrown the power of Colbertism in France, so that our old rival was more ready to offer favourable terms; while the revival of Portuguese industries under the Marquis of Pombal had rendered the alleged benefits of the Methuen treaty worthless. Under this conjunction of circumstances

¹ See Vol. I. p. 470.

² See above, p. 461.

³ Dowell, II. 191. This treaty favoured French agriculture—particularly the production of wines, brandy and oil—and also the manufacture of glass, jewelry, French muslins and millinery. Competition forced the French cotton, hardware, saddlery and crockery manufacturers to improve their goods, but until they reached the English standard of excellence there was a temporary loss to France.

The importation into England of silks, and of cotton and woollen materials mixed with silk, being still prohibited, the French manufacturers neither gained nor lost. It was urged in England that the treaty was in favour of France, since it ensured a sale for her natural products, and rendered industrial equality possible. Koch and Schoell, I. 461.

Pitt was able to carry his commercial treaty with France; there was a very considerable reduction of tariffs on each side, though the increased facilities for intercourse were not favourably received by some of the manufacturers in either country. Despite the temporary irritation which was caused, however, the trade with France expanded greatly¹; and consumers in each country felt the advantage of the increased intercourse.

The attitude taken by various critics, towards the policy of the Navigation Acts, was closely associated with this view as to the nature of the chief advantage derived from trade. These measures were ostensibly intended to increase the shipping and develop the maritime power of the country, but they tended to limit the quantities of goods imported, and thus to diminish the receipts from customs and to raise prices to the consumers of foreign goods². The benefit which accrued to the shipping of the country was problematical. Cecil had pronounced against the policy; and during the Restoration period, the Navigation Act seriously interfered with the provision of stores for the navy; it was a doubtful boon, and constant efforts had been made by the advisers of Charles II. to set it aside, or to obtain the Parliamentary relaxation of some of its prohibitions. There had never been much success in enforcing it, so far as the American colonies were concerned, but in 1796 the attempt to do so was definitely abandoned; and the rule that all goods from America should be imported in British ships was relaxed in favour of the United States³. The great expansion of American trade which took place at this time amply justified the views of Dean Tucker⁴, who had argued that no commercial advantage was to be gained from maintaining a political control over the plantations in America. The interest of the consumer of American produce⁵ asserted

¹ It is an incidental proof of the industrial progress of England that, whereas in the seventeenth century French commodities had been so fashionable here, at the end of the eighteenth English manufactures were much sought after in France.

² See Vol. I. p. 490.

³ 37 Geo. III. c. 97. Leone Levi, 160.

⁴ *The True Interest of Britain set forth in regard to the Colonies*, 1776, pp. 50—53.

⁵ The fact that raw cotton was now coming from the States would render the manufacturers of cotton goods glad of the relaxation.

A.D. 1689
1776.

in re-
laxing the
Navigation
Acts,

A.D. 1689
—1776.

itself against the maintenance of a restriction which had always been a matter of controversy¹.

and as to
the desirability
of distrib-
uting

Another fundamental principle of Parliamentary Colbertism had been that taxation should be levied, so far as possible, in forms that were not unfavourable to the industry of the country. This had been the basis of Walpole's scheme, whereas Davenant and the Tories attached the first importance to questions connected with the incidence of taxation. They desired that contributions should be drawn from all classes of the community, though the burden should be made to rest as lightly as possible on those who were least able to bear it; and these principles were clearly borne in mind in Pitt's fiscal reforms². Many of these were of an administrative character³, but his view as

¹ The party cleavage on the policy of the Navigation Acts is not so marked as on other questions. Child, and more doubtfully Davenant, pronounced in their favour. Their alleged advantage in promoting shipping was probably more apparent in some trades, *e.g.*, the East India Trade, than in others.

² The Tory tradition was maintained by Lord Liverpool; see *Dict. Pol. Ec.*, s.v.

³ Owing to the gradual additions which had been made to the sums levied, the customs rates were extraordinarily confused; each article imported paid a number of separate taxes which were answered under different headings. The collection and administration of such a complicated system was most wasteful; while the taxes, when taken together, were so high as to interfere seriously with the consumption of the article and to offer a great temptation to the smuggler. Adam Smith had laid stress on these matters, and had advocated the policy of simplifying the departments and diminishing the taxes in the hope of lessening the frauds and of putting down smuggling. The duty on tea was reduced from 119 to 12½ per cent. But such a considerable change appeared to be a very rash step. As Adam Smith had pointed out, what was required was an entire change of system (*Wealth of Nations*, 874). On the pressure of existing taxes, see *Parl. Hist.*, xxi. 398 (Bunbury); but while Pitt set himself to face the difficulties of carrying this through, he was also determined to have a sufficient margin in case the project did not answer his expectations. He therefore levied additional duties on windows and on houses, by the Commutation Act (1784); and was thus able to make his reduction and to wait for the expected expansion of the revenue without hampering any of the departments of Government. The reform thus initiated established Pitt's reputation as a financier; he also set to work to improve the fiscal administration by grouping a certain number of exactions on carriages, men-servants, horses, etc., and treating them as *Assessed Taxes* (Dowell, n. 188, 1785), which fell almost entirely upon the richer classes. In a somewhat similar fashion the complicated customs duties were replaced by a single tax on each article; the methods of collection were improved, and the proceeds of the whole were lumped together as a *Consolidated Fund* (1787), instead of being kept under separate accounts. Pitt's success, in carrying through these simplifications and changes, was partly due to the care he took to provide some new form of revenue which might tide him over the period of transition (*ib.* 192).

to the directions in which changes should be effected is very obvious. The glaring inequalities¹ of the land tax had been somewhat reduced, and the moneyed men had been forced to contribute through the inhabited house duty and the assessed taxes. But Pitt was desirous that the poorer classes should be, so far as possible, relieved from the burden. This view comes out in the measures which he took, when the prosperity of the country enabled him to reduce the Government demands. In 1792 he was able to repeal the tax on women servants² in poorer families, the taxes on carts and waggons, the window tax on small houses³, a portion of the tax on candles, and a recently imposed duty on malt⁴.

Following the same principles, Pitt showed himself most reluctant to impose any taxes upon necessities, when the Revolutionary War unexpectedly burst upon him; and he devoted himself, so far as possible, to raising the necessary supplies by taxes which should fall upon property⁵. The first of these was an expedient which Adam Smith had recommended, and which North had attempted, of taxing successions⁶. North's tax had been easily evaded as it was levied on the receipts given by legatees, but executors connived at a fraud on the revenue, and did not insist on having receipts. Pitt taxed the property while still in the hands of the executors. He originally intended to include

¹ The tax since 1697 had been regarded as a fixed sum of about £500,000, when the tax was 1s. in the pound, and thus it got into the same groove as the tenths and fifteenths had done in 1334, and the Tudor subsidies at a later date (Vol. I. 547, 548). Further "it happened that as the tradesmen and others assessed in respect of their personalty died off or departed from the particular district, the assessors charged their quota upon the land, adding it to the previous charge upon the landowners; so that the tax, which was intended to rest in the first instance upon goods and offices, the residue only being charged on the land—intended for a general tax upon property, gradually became in effect a tax on land, and a most unfair one, because originally the division of the whole sum representing the rate was extremely unequal, and as the relative riches of the different counties specifically charged altered, the unfairness increased." (Dowell, *op. cit.* II. 53.) On Davenant's criticism of the assessment, see above, p. 490 n. 4.

² This tax had been proposed in 1785 when the group of assessed taxes was formed; this and a shortlived tax on shops, according to the rent of the shop, were intended to draw from the shopkeeper class. Dowell, II. 90. 25 Geo. III. c. 48 and c. 30.

³ With less than seven windows. Dowell, II. 197.

⁴ Compare Pitt's oration, Feb. 17, 1792. *Parl. Hist.* xxx. 816.

⁵ Dowell, II. 218.

⁶ *Wealth of Nations*, 363.

A.D. 1699
—1776.
*the burden
of taxa-
tion*

*so as to
reach the
owners of
personal
property,*

A.D. 1689
—1776.

all collateral successions to property of every kind, but while he succeeded in the measure which dealt with personal property (1796), that which concerned real property had to be dropped¹. Another expedient was adopted in 1797 which told in the same way, and brought pressure to bear directly on the propertied classes². This was the so-called *Triple Assessment*; it was intended to be a tax which should fall widely, and which should yet be so graduated as to press less heavily on the poorer classes than on others³. The principle of the assessed taxes was that a man's return as to his establishment for the previous year was the basis of payment in the current year according to a graduated scale, "which had the effect of increasing the tax for every subject of duty in the larger establishments⁴." In 1797 Pitt proposed that in the following year the payments should be greatly increased, those whose assessment had been under £25 were to pay a triple amount, those who had paid between £30—£40 were to make quadruple payments, while assessments of £50 and upwards were to increase fivefold. The following year it appeared that a better result could be obtained with less elaborate machinery, by imposing a ten per cent. income tax on incomes of £200 and upwards. It was graduated for incomes between £60 and £200, and incomes of less than £60 were free⁵. The income tax was repealed by Addington on the close of the war, but had of course to be re-imposed in the following year. A more convenient form of return was adopted, under five distinct schedules.

though he was also forced to borrow largely, and in a costly fashion.

This was the principal new departure made under the strain of the great French wars. Pitt and his successors were anxious so far as possible to pay the current expenses out of the year's receipts. It was only under the pressure of necessity that he had recourse to the expedient, which had come into fashion in the time of William III., and permitted himself to throw a burden of debt on posterity. When he was forced to fall back on these financial methods, he gave the last great example of the disastrous results of misunder-

¹ Dowell, II. 214.

² Dowell, 220.

³ *Parl. Hist.* xxxiii. 1047.

⁴ Dowell, II. 221.

⁵ *Ib.* II. 222.

standings about credit, both in the principles of the Sinking Fund¹, and in forcing on the Suspension of Cash payments². He seemed to inherit not only the principles but the weaknesses of Tory finance.

Under Pitt's peace administration, the application of these Tory principles was not unfavourable to English industry, but the old jealousy between the landed and the moneyed interest was by no means extinct. Industry was assuming capitalist forms, and there was much in the new development of manufacturing that jarred upon Tory sentiment. The country gentleman cherished a suspicion that his interests had always been subordinated to those of some trade; in the pasture countries, he had grumbled at the measures which were intended to keep down the price of wool; in woodland districts, he had felt aggrieved because the iron-masters were permitted to dispense with his fuel in smelting and to import bar-iron from the colonies. The capitalist, who succeeded in getting these necessary materials cheap, was his natural enemy; and the landed men were all the more ready to give credence to complaints in regard to the moneyed men's attitude towards labourers. That personal property contributed little towards the relief of the poor was clear; while there was some reason to suppose that the development and migration of manufactures were largely responsible for the continued difficulties in regard to pauperism. The callousness of the trading interest beyond the sea to the distresses of kidnapped servitors and the miseries of the slave trade, gradually roused a philanthropic sentiment, which was eventually to exercise a powerful influence on the condition of labour at home. This was perhaps the most wholesome form which the immemorial jealousy of the landed for the moneyed interest had taken, but it is not a mere accident that so much of the humanitarian activity of the eighteenth and early nineteenth centuries should have emanated from the Tory camp. Samuel Johnson was one of the earliest and most vehement opponents of the slave trade, and it was at the table of his

A.D. 1689
—1776.

*The Tory
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*was asso-
ciated with
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*in regard
to the
slave trade*

¹ See below, p. 696.

² See p. 692 below.

A.D. 1689
—1776.

and the
conditions
of labour.

friend Bennet Langton¹, that Wilberforce and Clarkson met some influential men, and that the agitation against the slave trade first took practical shape². The struggle on behalf of labour against capitalism at home³ had similar political affinities, for it was commenced by Michael Thomas Sadler, a Tory member of Parliament, and supported by the landed interest at a time when the labourers themselves were apathetic. At the close of the eighteenth century the lines were being already formed for the struggles of the nineteenth. The capitalists were preparing to demand greater freedom from restriction of every kind, and to abolish the survival of by-gone institutions in the name of economic science; but the principles and sentiments to which the Tories were attached were to have no little share in the positive work of re-constructing a new order, in which human welfare would be the primary consideration.

¹ *Dict. Nat. Biog.*, s.v. Wilberforce.

² Comparatively little progress was made till the philanthropic agitation was re-enforced by political and economic reasons for abandoning the trade as detrimental. Hochstetter, *Die wirtschaftlichen Motive für die Abschaffung des britischen Sklavenhandels*, 33.

³ An interesting illustration of the common interest of these classes occurs in the Report of the Select Committee on the Calico-Printers: "Without entering into the delicate and difficult question, as to the distribution of profits between Masters and Journeymen, in this as well as the other mechanical professions, Your Committee may venture to throw out, for the consideration of the House, whether it be quite equitable towards the parties or conducive to the public interest that on the one part there should arise a great accumulation of wealth, while on the other there should prevail a degree of poverty from which the parties cannot emerge by the utmost exertion of industry, skill and assiduous application, and may at an advanced period of life, notwithstanding perpetual labour, be obliged to resort to parish aid for the support of their families. Is it just that such a state of things should be permitted to exist? Is it fair towards the Landed Interest in those districts in which Manufactories are established that they should be called upon to contribute from the Poor Rates to the support of those who ought to be enabled to derive a support from their labour, and who are at the same time contributing to establish a fortune for the Principals of such Manufactories?" *Reports*, 1806, III. 1160.

VII. LAISSEZ FAIRE.

A.D. 1776
—1850.

I. THE WORKSHOP OF THE WORLD.

242. THE period, which opened with Arkwright's mechanical inventions, has been the commencement of a new era in the Economic History, not only of England, but of the whole world. It marked one of the great stages in the growth of human power to master nature. The discovery of the New World, and of the sea route to India, had been events which gradually altered the whole method and scale on which European commerce was carried on. The application of water-power, and of steam, to do the work which had been previously accomplished by human drudgery, is comparable with the commercial revolution of the sixteenth century, as a new departure of which we do not even yet see the full significance. Physical forces have been utilised so as to aid man in his work; and the introduction of machinery continues slowly, but surely, to revolutionise the habits and organisation of industrial life in all parts of the globe. Half-civilised and barbarous peoples are compelled to have recourse, as far as may be, to modern weapons and modern means of communication; they cannot hold aloof, or deny themselves the use of such appliances. But the adoption of modern methods of production and traffic is hardly consistent with the maintenance of the old social order, in any country on this earth. England was the pioneer of the application of mechanism to industry, and thus became the workshop of the world, so that other countries have been inspired by her example. The policy of endeavouring to retain the advantages of machinery for England alone was mooted, but never very seriously pursued, and it was definitely abandoned in 1825.

The Industrial Revolution which began in England

entails a complete alteration of social conditions

A.D. 1776
—1860.

wherever
it spreads.

Mechanical
inventions
were not a
practical
success

till the
eighteenth
century
afforded
the
requisite
opportuni-
ties for
enterprise.

The changes which have taken place in England, during the last hundred and thirty years, at least suggest the direction of the movements which may be expected in other lands, as they are drawn more and more to adapt themselves to modern conditions. The time has not yet come to write the History of the Industrial Revolution in its broader aspects, for we only know the beginning of the story; we can trace the origin and immediate results in England, but we cannot yet gauge its importance for the world as a whole.

It was not an accident that England took the lead in this matter; the circumstances of the day afforded most favourable conditions for the successful introduction of new appliances. Inventions and discoveries often seem to be merely fortuitous; men are apt to regard the new machinery as the outcome of a special and unaccountable burst of inventive genius in the eighteenth century. But we are not forced to be content with such a meagre explanation. To point out that Arkwright and Watt were fortunate in the fact that the times were ripe for them, is not to detract from their merits. There had been many ingenious men¹ from the time of William Lee and Dodo Dudley, but the conditions of their day were unfavourable to their success. The introduction of expensive implements, or processes, involves a large outlay; it is not worth while for any man, however energetic, to make the attempt, unless he has a considerable command of capital, and has access to large markets. In the eighteenth century these conditions were being more and more realised. The institution of the Bank of England, and of other banks, had given a great impulse to the formation of capital; and it was much more possible, than it had ever been before, for a capable man to obtain the means of introducing costly improvements in the management of his business. It had become apparent, too, that the long-continued efforts to build up the maritime power of England had been crowned with success; she had established commercial connections with all parts of the globe, and had access to markets that were practically unlimited. Under these circumstances, enterprising men were willing to run the risk of introducing expensive

¹ *Calendars S. P. D. 1690—1692, s.v. Inventions.*

novelties, and inventors could reasonably hope to reap advantage themselves from the improvements they suggested. A.D. 1776
—1850.

In the seventeenth century such an expansion had hardly been possible at all; the dominant principles were still in favour of a well-ordered trade, to be maintained by securing special concessions; the interlopers, who were prepared to contest such privileges and to force their business on any terms they could, were still regarded as injurious to the sound and healthy development of commerce. *The well-ordered trade of the seventeenth century* (But after the Revolution England entered on a new phase of mercantile life; and the keen competition, which had been allowed free play temporarily during the Interregnum, with disastrous results, came to be accepted as the ordinary atmosphere of trade. The principles, which the interlopers had practised, were being more generally adopted, and all merchants became agreed that it was by pushing their wares, and selling goods that were better and cheaper than those of other countries, that new markets could be opened up and old ones retained. The "well-ordered trade" of the Merchant Companies would hardly have afforded sufficient scope for the introduction of mechanical improvements in manufacturing. *had been incompatible with the pushing of business,* In the civic commerce of the Middle Ages, and during the seventeenth century, merchants had looked to well-defined and restricted markets, in which they held exclusive rights. So long as this was the case attempts were made to carry on industrial production so as just to meet these limited requirements, and to secure favourable conditions for the artisan, by guarding him from competition and authoritatively assessing his wages. As merchants and manufacturers realised that they could best gain, and keep, foreign markets, not by special privileges, but by supplying the required goods at low rates, they aimed at introducing the conditions of manufacture under which industrial expansion is possible. This opinion commended itself more and more to men of business and legislators, but it penetrated slowly among the artisans, who preferred the stability of the life they enjoyed under a system of regulation and restriction. *and the old regulations were proving mischievous;* Workmen were inclined to oppose the introduction of machinery in so far as it tended to upset the old-established order of the realm¹, while others seem to have hoped

¹ See below, pp. 638, 652.

A.D. 1776
—1860.

that machinery would confer on England a monopoly of industrial power so that she would be able to dictate her own terms to foreign purchasers, and to rear up a new exclusive system.

*in the
nineteenth
century
Parliament
was ready
to dispense
with them,*

The old ideas, which had given rise to the trade institutions of the Middle Ages, and which had continued to be dominant in the seventeenth century, were not dead at the opening of the nineteenth century, but they no longer appealed either to the capitalist classes or to the intelligence of Parliament. No authoritative attempt was made to recast the existing regulations so as to suit the changing conditions. To do so was not really practicable; only two courses lay open to the legislators. They could either forbid the introduction of machinery, as Charles I. had done¹, for fear that people would be thrown out of work, or they could smooth the way for the introduction of the new methods by removing the existing barriers. The House of Commons chose the latter alternative, since the members had come to regard all efforts to prevent the use of mechanical appliances as alike futile and inexpedient. In the absence of any enforcement of the old restrictions, in regard to the hours and terms of employment, the difficulties of the transition were intensified; and the labourers, who had never been subjected to such misery under the old *régime*, agitated for the thorough enforcement of the Elizabethan laws. The working classes, for the most part², took their stand on the opinions as to industrial policy which had been traditional in this country, and were embodied in existing legislation. To the demand of the capitalist for perfect freedom for industrial progress, the labourers were inclined to reply by taking an attitude of impracticable conservatism; it was not till many years had elapsed, and freedom for economic enterprise had been secured, that serious attempts were made, from an entirely different point of view, to control the new industrial system so that its proved evils should be reduced to a minimum. The artisans were so much attached to the traditional methods of

*though
the working
classes
agitated
for the en-
forcement
of existing
legislation*

¹ See above, p. 295.

² As an exception it may be noticed that Francis Place, who did so much to bring the evidence of working men to the front on particular issues, such as the Combination Laws, had no sympathy with the views of the class from which he had risen on the general policy which should be pursued.

securing the well-being of the labourer that they hung aloof ^{A.D. 1776} for a time from the humanitarian effort to remedy particular ^{—1850.} abuses by new legislation.

We have no adequate means of gauging the rapidity and violence of the Industrial Revolution which occurred in England during the seventy years from 1770 to 1840; it commenced with the changes in the hardware trades, which have been already described, but the crisis occurred when inventive progress extended to the textile trades. ^{the seventy years of Industrial Revolution} Despite the gradual economic development, it seems likely enough that, while centuries passed, there was little alteration in the general aspect of England; but the whole face of the country was ^{changed the whole face of the country.} changed by the Industrial Revolution. In 1770 there was no Black Country, blighted by the conjunction of coal and iron trades; there were no canals, or railways, and no factory towns with their masses of population. The differentiation of town and country had not been carried nearly so far as it is to-day. All the familiar features of our modern life, and all its most pressing problems, have come to the front within the last century and a quarter.

243. The changes included in the term Industrial Revolution are so complicated and so various that it is not easy to state, far less to solve, the questions which they raise. There have been many different forms of industrial invention. Sometimes there has been the introduction of new processes, ^{Neither the introduction of new processes.} as in the important series of experiments by which the problem of smelting and working iron, with fuel obtained from coal, was finally solved; and this, as we have seen, was of extraordinary importance. Other improvements have consisted in the employment of new implements, by which the skilled labourer is assisted to do his work more quickly or better; one example has been noticed in the flying shuttle, and the substitution of the spinning-wheel for the whorl and spindle was another. ^{nor of new implements,} But such a change is hardly to be described as the introduction of machinery. A machine, as commonly understood, does not assist a man to do his work¹, it does the work itself, under human guidance; its

¹ There may be machines that go by human power, but do the work in quite a different way from that in which it has previously been done: e.g. the bicycle, or spinning-jenny.

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—1850.

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characteristic feature is that it is an application of power, and not of human exertion. Hence the introduction of machinery always has a very direct bearing on the position of the labourer. From one point of view we may say that it saves him from drudgery; from another, that it forces upon him the strain of a competition in which he is overmatched, and thus gradually deprives him of employment. The invention of new processes and new implements has not such a necessary and direct result on the employment and remuneration of labour as occurs with the introduction of machines. So far as the wealth of the realm was concerned, the development of the coal and iron trades was of extraordinary importance, but the substitution of mechanical inventions for hand labour in the textile trades brought about a revolution in social life throughout the country.

244. Though the changes effected by the industrial revolution have been so startling, it may yet be said, when we view them from an economic standpoint, that they were of unexampled violence rather than wholly new. After all, the age of mechanical invention was only one phase of a larger movement. We have traced the gradual intervention of capital in industry and agriculture, especially during the eighteenth century; we shall now have to note the operation of the same force, but at a greatly accelerated pace. Capitalism obtained a footing and held its ground in the cloth trade¹, because of the facilities which the wealthy man enjoyed for purchasing materials, or for meeting the markets. Other trades, such as coal mining or iron manufacture, had been necessarily capitalistic in type from the earliest days, because none but wealthy men were able to purchase expensive plant, and to run the risks of setting it up. The invention of mechanical appliances for the textile trades gave a still greater advantage to the rich employer, as compared with the domestic weaver, since only substantial men could afford to employ machines. It was a farther sign of the triumph of the modern system of business management.

It is worth while to distinguish some of the principal changes in connection with labour, which resulted from the increase of capitalist organisation and especially from machine

¹ See pp. 499 and 505 above.

production. The opening chapter of the *Wealth of Nations* ^{A.D. 1776} calls attention to the important improvement which is known ^{—1850.} as the division of processes. Adam Smith there points out ^{division of} that an employer can organise production, and assign each ^{processes,} man his own particular task in such a way, that there shall be a saving of time and of skill. There will also be other advantages, such as an increase of deftness, from the acquired facility in doing some one operation rapidly and well. The division of processes is sure to arise under any capitalist system of control; in some districts of the cloth trade, it had been carried out to a very considerable extent for centuries, and it is true to say that increased subdivision has facilitated the invention of machinery. None the less is it also true that the adoption of mechanical appliances has led to the development of new forms of specialised labour, and has tended to confine men more exclusively to particular departments of work.

The invention of machinery, as well as the introduction of ^{and to the} new processes, brought about a considerable shifting of labour. ^{shifting of} The employment of coal for smelting iron tended to the disuse of charcoal burning, and caused an increased demand for hewers in coal-mines; whether there was less employment or more, in connection with the production of a ton of suitable fuel, it was employment of a different kind. The adoption of machinery in the textile trades also caused an extraordinary shifting of labour; for children were quite competent to tend machines which carried on work that had hitherto occupied adults. On the whole, machinery rendered it possible in many departments of industry to substitute unskilled for skilled labour.

The tendency, which had been observable during the early ^{as well as} part of the century, for manufactures to migrate to particular ^{to the} districts, was enormously accelerated by the introduction of ^{migration} machinery. So far as the cloth trade was concerned, the ^{of industry} trend appears to have been due to the facilities which water- ^{to localities} power afforded for fulling-mills; and as one invention after ^{where} another was introduced, it became not merely advantageous, ^{power was} but necessary for the manufacturer to establish his business ^{available.} at some place where power was available. We have in consequence the rapid concentration of industries in the West

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Riding and other areas where water-power could be had, and the comparative desertion of low lying and level districts. The application of steam-power caused a farther readjustment in favour of the coal-producing areas; but this new development did not resuscitate the decaying industries of the Eastern Counties, since they were as badly off for coal as they were for water-power.

The concentration of labour involved

the decay of cottage employment

and increased the differentiation of town and country

so that the weaver ceased to have subsidiary sources of income,

245. The introduction of machinery rendered it necessary to concentrate the labourers in factories where the machines were in operation; the new methods of work were incompatible with the continued existence of cottage industry. The man who worked in his own house, whether as a wage-earner under the capitalist system or as an independent tradesman under the domestic system, was no longer required, so soon as it was proved that machine production was economically better. In the same way, the concentration of spinning in factories deprived the women of a by-employment in their cottages. During the greater part of the eighteenth century industrial occupations were very widely diffused, and the interconnection between the artisan population and rural occupation was close¹. The severance had already begun; but under the influence of the introduction of machinery it went on with greater rapidity, till the differentiation of town from country employment was practically complete.

The divorce of the industrial population from the soil tended on the one hand to the impoverishment of the rural districts, from which manufactures were withdrawn, and on the other to a notable change in the position of the workman; he came to be wholly dependent on his earnings, and to have no other source to which he could look for support. The cottage weavers, whether wage-earners or independent men, had had the opportunity of work in the fields in harvest and of supplementing their income from their gardens or through their privileges on the common wastes. When the industrial population was massed in factory towns² they were necessarily deprived of these subsidiary sources of income, and their terms of employment were affected by the state of trade.

¹ See pp. 563 and 564 above.

² A Committee of the House of Commons insisted the advantages of allotments to the artisan population and had evidence of a widespread anxiety to obtain them. *Reports 1848*, VII. 203.

So long as cottage industry lasted, the workmen had something to fall back upon when times were bad; but under the new conditions the fluctuations were much more violent than they had ever been before, and the workman had no means of improving his position. The prosperity of the mass of the population no longer rested on the solid basis of land, but upon the fluctuating basis of trade¹.

The age of invention then was not merely concerned, as might at first sight appear, with the improvement of particular arts, it effected an entire revolution in the economic life of the country; for this reason it is not quite easy to weigh against one another the loss and gain involved in such a fundamental change. We see on the one hand the signs of marvellous economic progress; an immensely increased command over material resources of all sorts and an extraordinary development of trade and wealth, with the consequent ability to cope with the schemes by which Napoleon endeavoured to compass our ruin. On the other hand we see a loss of stability of every kind; England as a nation forfeited her self-sufficing character and became dependent on an imported food supply; and a large proportion of the population, who had been fairly secure in the prospect of shelter and employment and subsistence for their lives, were reduced to a condition of the greatest uncertainty as to their lot from year to year or from week to week. Over against the rapid advance of material prosperity must be set the terrible suffering which was endured in the period of transition; and while we congratulate ourselves on the progress that has taken place, we should not forget the cost at which it has been obtained, or the elements of well-being that have been sacrificed.

246. There were, however, certain sections of the community which were able to take advantage of the period of change, and to adapt themselves rapidly to the new conditions; a class of capitalist manufacturers came into great prominence, and they were soon able to exercise considerable influence in Parliament. There had of course been wealthy employers in certain districts², especially in the iron trade, and in the

¹ Massie, *Plan*, p. 69. See above, p. 577.

² Compare the iron, glass and brass works mentioned by Rudder, *Gloucestershire*, 601.

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Machinery
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—1850.

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cloth trade of the West of England; but the moneyed men of the seventeenth and eighteenth centuries had been merchants rather than manufacturers of textile goods. It was only with the progress of the industrial revolution that the wealthy employer of labour attained to anything like the social status which had been accorded to successful merchants from time immemorial. But the triumph of capital in industry involved the rise and prosperity of a large number of captains of industry.¹

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It seems probable that there was comparatively little room for the intrusion of new men in the old centres of the cloth trades. There were large and well-established houses engaged in this manufacture in the West of England, and they had an honourable ambition to maintain the traditions of their trades. In Yorkshire, too, there was a class of capitalist merchants who were ready to deflect their energies into manufacturing as occasion arose. The wealthy employers of the West Riding seem to have been chiefly drawn from this class, though they were doubtless reinforced to some extent by men like Hirst who had risen from the ranks.² There is reason to believe, however, that in Lancashire, and the other areas where the cotton trade was carried on, the course of affairs was somewhat different. This industry was characterised by an extraordinary expansion, and it offered abundant opportunities for new men, of energy and perseverance, to force their way to the front. "Few of the men who entered the trade rich were successful. They trusted too much to others—too little to themselves; whilst on the contrary the men who prospered were raised by their own efforts—commencing in a very humble way, generally from exercising some handicraft, as clockmaking, hatting, &c., and pushing their advance by a series of unceasing exertions, having a very limited capital to begin with, or even none at all, saving their own labour³." The yeomen farmers as a class failed to seize the opportunities open to them; but a "few of these men, shaking off their slothful habits, both of

¹ For an admirable examination of the growth of this class see P. Mantoux, *La Révolution Industrielle*, 876.

² *The Woollen Trade during the last Fifty Years*, Brit. Mus. 10347. de. 25.

³ P. Gaskell, *Artisans and Machinery*, 33.

body and mind, devoted themselves to remedying other conditions with a perseverance certain to be successful. Joining to this determination a practical acquaintance with the details of manufactures, personal superintendence and industry, several of the most eminently successful steam-manufacturers have sprung from this class of people, and have long since become the most opulent of a wealthy community¹. The Peels and the Strutts were examples of families which emerged from the ranks of the yeomen and acquired great wealth in the cotton trade. Many of the rich manufacturers in such towns as Stockport, Hyde, Duckenfield and Staley-bridge had in early life worked as "hatters, shoemakers, carters, weavers, or some other trade". Some of these self-made men were not disinclined to be proud of their own success, and to be at once hard and contemptuous towards the man who had shown so little energy as to remain in the labouring class, as if it was less his misfortune than his fault.

*of the
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class.*

It was not unnatural that, as the cotton manufacture continued to increase, Manchester should become the centre of a school of men who were deeply imbued with the belief that in industrial affairs the battle was to the strong and the race to the swift. The system, which the Mercantilists had built up with the view of stimulating industry, seemed to this new race only to stifle and hamper it. Under somewhat different circumstances the capitalist employers might have been eager to secure protection. The *nouveaux riches* of the fourteenth century were eager to protect English municipalities against the intrusion of aliens; the merchant princes of the seventeenth century organised a restrictive system by means of which they hoped to foster the English industry at the expense of the French and the Dutch. American millionaires have found their protective tariff an assistance in building up gigantic trusts. It is at least conceivable that the cotton manufacturers of the early part of the nineteenth century should have endeavoured to retain for a time a monopoly of industrial power, and have forced other peoples to pay such prices as would have enabled them to remodel the conditions of production in a satisfactory

*The im-
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¹ Gaskell, *ib.* p. 82.

² *ib.* 96.

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fashion. This policy would have commended itself to the minds of the artisans; had it been adopted, the cleavage between capital and labour would hardly have been so marked. But the spirit of keen competition had caught hold of the employing class; they were of opinion, and in all probability their judgement on this point was perfectly sound, that it was only by a continued exercise of the activity by which they had found their way into foreign markets that they could hope to retain them.

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The Manchester School were aiming at the same object as the Mercantilists had pursued during the period of Whig ascendancy: they desired to promote the industrial activity of the country; but the means they recommended were the very opposite of those which had been adopted in earlier days. They felt that they could dispense with fostering care and exclusive privileges; this was in itself a tribute to the success of the policy which had been so steadily pursued for generations. The maritime power of England had been built up, the industry had been developed, the agriculture had been stimulated, and the economic life had become so vigorous that it appeared to have outgrown the need of extraneous help. There seemed to be a danger that the very measures which had been intended to support it should prove to be fetters that hampered its growth.

II. THE INTRODUCTION OF MACHINERY IN THE TEXTILE TRADES.

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247. The cotton manufacture was the first of the textile trades to be revolutionised by the introduction of new machinery. Appliances worked by power had been in operation from time immemorial in the subsidiary operations of the woollen trade, such as the fulling-mills; and silk-mills had been erected on the model of those in Piedmont¹; but the series of inventions, for carding and spinning cotton, which is associated with the name of Richard Arkwright, marks the beginning of a fresh era. He had been brought

¹ See above, p. 519. These mills appear to have inspired Arkwright's determination to apply power to the cotton manufacture. *Genil. Mag.*, 1792, II. 863.

up as a barber, and does not appear to have had either the technical acquaintance with the cotton trade, or the mechanical skill, which might be expected in a great inventor. Still he possessed such business ability as to inspire the confidence of wealthy patrons, who supplied him with the necessary funds¹. "By adopting various inventors' ideas he completed a series of machines for carding and roving. He was enabled to do this the more easily by having the command of a large capital. The inventors of the improvements had not the means of carrying them into effect on an extensive scale; they found the game, but from want of capital were unable to secure it, whilst Mr Arkwright by availing himself of their inventions and by inducing 'men of property to engage with him to a large amount' reaped all the advantages and obtained all the rewards"; and he succeeded in rendering the ideas of other men a practical success. Roller-spinning had been patented by Lewis Paul in 1738², but his rights had expired. The same principle was applied by Thomas Highs in the waterframe³, which was the basis on which Arkwright worked. He set up a spinning-mill with horse-power⁴ at Nottingham in 1771, and afterwards made use of water power in his mill at Cromford, in Derbyshire. In 1775 he obtained a patent, which embraced the inventions of Lewis Paul and others. Arkwright's exclusive claims were ignored by other manufacturers, and he had recourse to the courts to enforce them; but finally, in the action which he brought against Colonel Mordaunt, Arkwright failed to maintain his alleged rights⁵; and his appeal to the public, entitled *The Case of Mr Richard Arkwright*, did not create the

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¹ He had expended £12,000 on the enterprise before he began to make any profit.

² R. Guest, *History of the Cotton Manufacture*, 27.

³ B. Woodcroft, *Brief Biographies*, p. 8. This machine was apparently employed for spinning fine wool as well as cotton. Dyer, *The Fleece*, bk. III. in *Anderson Poets*, Vol. IX. p. 569, 571.

⁴ Guest, *Compendious History of the Cotton Manufacture*, 18. A model of this machine was made by John Kay the watchmaker and was exhibited by Arkwright in asking for assistance to prosecute his enterprise. Woodcroft, *op. cit.* 10.

⁵ Baines, *Cotton Manufacture*, 186.

⁶ The evidence is discussed at some length by Guest, *British Cotton Manufactures*, a reply to an article in the *Edinburgh Review* (1828), 17.

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—1850.

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favourable impression he had expected. There was henceforth no hindrance to the general use of power-spinning. The hand-jenny, which was improved from Highs' invention by Hargreave of Blackburn about 1767, had met with serious opposition¹, and it had hardly been introduced in the cotton districts before it was superseded², and the work transferred to mills where water-power was available. A further invention in 1775 by Crompton, of the Water Mule which combined the principles of the Jenny and the Water Frame, rendered it possible to obtain a much finer thread than had previously been produced by machinery, so that it became possible to develop the muslin manufacture³. Through these changes the carding, roving and spinning of cotton were no longer continued as cottage employments, and weaving was the only part of the manufacture which was not concentrated in factories.

The cotton trade had a peculiar position among English manufactures; it was not an industry for which the country was naturally adapted, for the materials were imported, and it had never enjoyed the protection bestowed on some other exotic trades, for there was no serious French competition. The early history of the trade is very obscure; and it is rendered particularly confusing by the ambiguous use of the term cottons, which was applied in the sixteenth century to some kind of cloth manufactured from wool⁴. There can be little doubt, however, that the trade in Manchester goods, in which Humphrey Chetham made his fortune⁵, included cottons

¹ The fact that the hand-jennies and carding machines were destroyed in Lancashire, Nottingham, and elsewhere (Rees, *Encyclopedia* (1819), s.v. *Cotton Manufacture*) is a further indication that the cottagers who spun cotton were wage-earners. Otherwise they might, like the Yorkshire domestic clothiers (see p. 502) have welcomed the introduction of such hand-machines. They appear to have become reconciled to hand-jennies ten years later, and to have only attacked machines that went by water or horse-power in 1779 (*loc. cit.*).

² *Annals of Agriculture* (1788), x. 580.

³ R. Guest, *Compendious History of Cotton Manufacture*, 81.

⁴ Defoe among other writers appears to have been misled by this ambiguity: he speaks of the cotton manufacture as earlier than the woollen, *Tour* (1724) III. Letter iii. p. 216. The tradition of the older sense of the term cotton survived in Lancashire in the nineteenth century, W. Cooke Taylor, *Notes of a Tour in the Manufacturing Districts of Lancashire*, 140. It seems probable that the same sort of confusion occurs in the use of the term 'fustian'; cf. 11 H. VII. c. 27.

⁵ He and his brothers "betook themselves to the Trading of this County

and fustians made from the vegetable material. In 1641 A.D. 1776
—1850. we have an undoubted mention of the weaving of cotton in its modern sense; Lewis Roberts¹ speaks with admiration of the enterprise of the Manchester men who bought the cotton wool of Cyprus and Smyrna² in London and sold quantities of fustians, vermilions and dimities. sixteenth
and
seventeenth
centuries, A few years earlier, in 1626, we have an isolated proposal to employ the poor in the spinning and weaving of cotton wool³; it seems likely enough that the industry was planted in Lancashire about 1685 by immigrants from Antwerp, a city where the fustian manufacture had been prosecuted with success⁴. But however it was dealing in Manchester commodities, sent up to London. * * He was High Sheriff of the County 1685, discharging the place with great Honour. Inasmuch that very good Gentlemen of Birth and Estate did wear his Cloth at the Assize to testifie their unfeigned affection to him" (Fuller's *Worthies*, 121). Fuller also explains that several sorts of fustians are made in Lancashire, "whose inhabitants, buying the Cotton Wool or Yarne coming from beyond the Sea, make it here into Fustians, to the good employment of the poor and great improvement of the rich therein, serving mean people for their outsides, and their betters for the Lineings of their garments; Bolton is the Staple place for this commodity being brought thither from all parts of the county" (ib. 106). In Rees' *Encyclopædia* there is an interesting account of the organisation of the fustian trade about the middle of the seventeenth century. "Fustians were manufactured in quantities at Bolton, Leigh, and other places adjacent; but Bolton was the principal market for them, where they were bought in the grey by the Manchester dealers, who finished and sold them in the country. The Manchester traders went regularly on market days to buy fustians of the weavers, each weaver then procuring his own yarn and cotton as he could, which subjected the trade to great inconvenience. To remedy this, the chapmen themselves furnished warps and cottons to the weavers, and employed persons in all the little villages and places adjacent, to deliver out materials, and receive back the manufactured goods when finished. Each weaver's cottage formed at that time a separate and independent little factory, in which the raw material was prepared, carded and spun, by the female part of the family, and supplied wool, or weft, for the goods which were wove by the father and his sons." s.v. *Cotton Manufacture*.

¹ "The towne of Manchester in Lancashire must be also herein remembered and worthily, and for their industry commended, who buy the Yarne of the Irish in great quantity, and weaving it returne the same againe in Linnen into Ireland to sell; neither doth the industry rest here, for they buy Cotten wool in London, that comes first from Cyprus and Smyrna, and at home worke the same and perfit it into Fustians, Vermilions, Dymities and other such Stuffles, and then returne it to London, where the same is vented and sold, and not seldom sent into forraign parts," *Treasure of Traffick*, 32, 33. The localisation of the cotton trade in Lancashire may have been connected with facilities for obtaining from Ireland the linen yarn, which was then found necessary for the warp of the fabrics.

² One of the allegations in favour of the Turkey Company was that it provided materials for this manufacture, while the East India Company introduced finished goods.

³ J. Stolt, *Brit. Mus. Add. MSS.* 12,496, f. 236.

⁴ Cunningham, *Alien Immigrants*, p. 180.

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planted, it took root in Lancashire and developed steadily till about 1740, when an era of more rapid progress began¹. The competition of the East India Company was that which the manufacturers had most reason to fear, and though the cloth they wove of cotton on a linen warp had a practical monopoly in the home market², they were liable to be undersold by the company in foreign markets. Arkwright's inventions, by spinning a firmer cotton thread than had hitherto been procurable and one which was suitable for the warp³, made it possible to manufacture a cloth on terms which rendered it acceptable in markets in all parts of the world.

The effect of Arkwright's success was to open up to a trade, that had hitherto been conducted on a small scale, the possibility of enormous and indefinite expansion⁴. Materials could be obtained in considerable quantities from the East and the Bahamas; and in the last decades of the eighteenth century increasing supplies were procured from the southern States⁵.

¹ The progress was not unchecked, however, and was closely dependent on the supply of materials. The evidence given before the Select Committee of 1751 seems to show that their French and German rivals could obtain the linen yarn used as warp more cheaply than the English manufacturers could procure it from Ireland (*Reports from Committees of the House of Commons*, Reprints, First Series, II. 291, 292). In order to assist them it was resolved that the duties on the importation of foreign linen yarn should be reduced (*Commons Journals*, XXVI. 284). The English had an advantage in the possession of cotton islands; but their continental rivals offered better prices and secured a large part of the crop (*Reports*, *op. cit.* 296). There were further complaints of decline in the manufacture in 1766. T., *Letters on the Utility of Machinery*, 9.

² 9 Geo. II. c. 4.

³ Linen had been previously used for this purpose. In 1774 an Act was passed which repealed 7 Geo. I. c. 7 and rendered it possible for Arkwright to take full advantage of the improvement. 14 Geo. III. c. 72.

⁴ The average annual import of cotton wool for the years 1701 to 1705 was 1,170,881 lbs.; it rose in the following decade and from 1716-20 averaged 2,178,287 lbs. For quinquennial periods after the invention of the jenny and frame

1771—1775 . . .	4,764,589,
1776—1780 . . .	6,706,013,
1781—1785 . . .	10,941,934,
1786—1790 . . .	25,448,270.

In 1800 it reached 56,010,782 and in 1810, 136,488,985, but after this year there was a remarkable drop (as low as 50,966,000 in 1818), and matters did not mend till after the close of the war. Guest, *op. cit.* 51.

⁵ The cultivation of cotton had been introduced into the Carolinas and Georgia from the Bahamas about the time of the War of Independence. Whitney's invention of the cotton-gin which separated the fibre from the seed, and prepared the cotton for export, gave an immense stimulus to the production; in 1794, one million six hundred thousand pounds were exported. Leone Levi, *History*, 88.

Since plenty of raw material was available, the manufacture advanced rapidly¹ to meet the enlarging demand for cheap cotton cloth. It is to be noticed, however, that the trade was liable to serious interruptions; both for the materials used, and for access to the markets in which the cloth was sold, the Lancashire manufacturers were dependent on foreign commerce; and a breach of mercantile intercourse might disorganise the whole of the industry². This occurred to some extent from the decline of the American demand for Manchester goods during the War of Independence; as a result there was considerable distress among the hands employed. They were inclined to attribute it to the introduction of machinery and there was a good deal of rioting³ and destruction of spinning-jennies in parts of Lancashire. Apart from these periods of distress, however, the trade increased by leaps and bounds, and it was alleged in 1806 that a third part in value of all our exports was sent abroad in the form of cotton goods.

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though interruptions of trade were disastrous

¹ The first phase of development was the extension of the Lancashire cotton trade at the expense of woollen and linen: "From the year 1770 to 1788 a complete change had gradually been effected in the spinning of yarns—that of wool disappearing altogether and that of linen was also nearly gone—cotton, cotton, cotton was become the almost universal material for employment, the hand-wheels, with the exception of one establishment were all thrown into lumber-rooms, the yarn was spun on common jennies, the carding for all numbers up to 40 hanks in the pound, was done on carding engines; but the finer numbers of 60 to 80 were still carded by hand, it being a general opinion that machine carding would never answer for fine numbers. In weaving no great alteration had taken place during these 18 years, save the introduction of the fly-shuttle—a change in the woollen looms to fustians and calico, and the linen nearly gone except the few fabrics in which there was a mixture of cotton. To the best of my recollection there was no increase of looms during this period—but rather a decrease." Radcliffe, *Origin of the New System of Manufacture*, 61.

² For an instance of this in 1653, see S. P. D. Inter. LXVIII. 4, Mar. 20, 1653-4. The commissioners of customs had seized twelve bags which had been imported from Dunkirk contrary to the Navigation Acts and the "trade was in danger to return from whence by industry 'twas gained." See also below, pp. 686, 689.

³ These disturbances called forth the Act 23 Geo. III. c. 40, which complains of the "destroying the manufactures of wool, silk, linen and cotton, and the materials, tools, tackle and other utensils prepared for or used therein." There were riots at Hunslet in Yorkshire when the military were called out (Cookson's Evidence, Reports, 1806, III., printed pag. 81), but these were probably directed against shearing frames, not against jennies (see below, p. 662). There had also been riots on the part of the spinners in 1753, and Kay was forced to leave Bury, as he had been driven out of Colchester in 1738 on account of his shuttle, and from Leeds on account of his power-loom in 1745. Woodcroft, *op. cit.* p. 4. See also T., *Letters on the utility*, p. 20, note. On the hostility to machinery in 1824-30 see S. J. Chapman, *Lancashire Cotton Industry*, 73.

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demand for
labour,

This unexampled expansion of the industry opened up a very much larger field for employment than had been available before the era of these inventions. The abundance of yarn, especially after 1788, when mule yarns became available, was such that the services of weavers were in great demand¹, and considerable quantities of yarn were sent abroad for use on foreign looms. The kinds of labour needed were not very different from those required in the old days of hand spinning and carding, but girls and women were concentrated in factories to tend the machines, instead of spinning with their wheels in cottages. This case affords an excellent illustration of an important principle in regard to labour-saving machinery; when the improvement renders the article cheaper and thereby stimulates the demand, it is quite likely that there will be an increased call for labour², because the machine has come into use³. The artisans, who thought that such inventions must necessarily deprive them of their occupation, were mistaken; the number of hands engaged in the cotton trade to-day is undoubtedly very much larger than it was in the time of Arkwright. Much remains to be said about the conditions and terms of employment, but there can be no doubt whatever that the introduction of machinery did not diminish the numbers occupied in the cotton trade.

but the
supply of
water-
power was
limited,

The only check to the indefinite expansion of the trade lay in the limited supply of water-power available; that cause for apprehension was removed, however, by the invention of Boulton and Watt, and the application of steam as the motive power in cotton mills. Though steam engines had long been in use for pumping water from mines, the improvements,

¹ Radcliffe, *Origin of the New System of Manufacture*, p. 65.

² Arkwright asserted that when power-spinning was introduced, the spinners were not left idle, but were "almost immediately engaged" in weaving or other branches of the business. Anstie, *Observations*, 12 n.

³ On one of the limiting conditions, see below, pp. 661, 662. Other illustrations are furnished by the railways, which by rendering intercommunication cheap have developed intercourse of every sort. It is probable that more horses are required now, as subsidiary to railway traffic, than were needed in the eighteenth century to do all the haulage by road: there can be no doubt that there is far larger employment for men. Other illustrations of an increased demand for labour in consequence of the introduction of labour-saving implements are afforded by the type-writer and the sewing-machine.

which reduced the cost of working and rendered it possible to apply steam power to industry, were an immense advance. A.D. 1776
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At Papplewick in Nottinghamshire a steam cotton mill was erected in 1785; and the new power was utilised for spinning at Manchester in 1789, and at Glasgow in 1792. and the
application
of steam
power Its full effect was only gradually felt, and water continued to be economically the better agent during the first quarter of the nineteenth century; but eventually as a consequence of Watt's invention, water-falls became of less value. Instead of carrying the people to the power, employers found it preferable to place the power among the people at the most convenient trading centres. The factory system is older than the application of steam to the textile trades; but the introduction of the new mechanical power tended to destroy the advantage of factory villages on streams, and rendered possible the gradual concentration of the population in factory towns. was fol-
lowed by
the growth
of factory
towns.

The cotton trade, as depending on imported materials and supplying foreign markets¹, was probably a capitalistic trade from the very first; the suggestion that it was planted by immigration from abroad harmonises with this view; and though the weavers were cottagers, it is likely that they were wage earners² and not men who worked on the domestic

¹ See p. 518 above.

² The conditions of life during this period of expansion are fully described by Radcliffe. "These families, up to the time I have been speaking of, whether as cottagers or small farmers, had supported themselves by the different occupations I have mentioned in spinning and manufacturing, as their progenitors from the earliest institutions of society had done before them. But the mule-twist now coming into vogue, for the warp as well as the weft, added to the water-twist and common jinny yarns, with an increasing demand for every fabric the loom could produce, put all hands in request of every age and description. The fabrics made from wool or linen vanished, while the old loom-shops being insufficient every lumber-room, even old barns, cart-houses, and outbuildings of any description were repaired, windows broke through the old blank walls and all fitted up for loom-shops. This source of making room being at length exhausted, new weavers cottages with loom-shops rose up in every direction; all immediately filled, and when in full work the weekly circulation of money as the price of labour only rose to five times the amount ever before experienced in this sub-division, every family bringing home weekly 40, 60, 80, 100 or even 120 shillings per week." *Origin of the New System of Manufacture*, 66. Radcliffe had personal knowledge of these times, for as he says, "I always attended Manchester Market on Tuesdays, bringing from the bank my cash for the wages of the week. Next morning, soon after six, I entered the warehouse to serve the weavers of whom there were generally ten to twenty waiting behind the counter, on which I placed the money to count into the drawer before I began business." *Ib.* p. 68.

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system¹. However this may be, the manufacture was organised on capitalistic lines from the time of the introduction of machinery, and the cotton factories which rose in the neighbourhood of Manchester and other large towns soon began to attract public attention.

The condition of parish apprentices in cotton factories

248. From a very early time the state of the factories, and the conditions under which the children employed in them lived and worked called forth severe criticism by public authorities. In 1784, before the great period of expansion had set in, the Lancashire magistrates had deputed Dr Percival and other medical men to institute enquiries on the subject²; their report shows how long the evil was allowed to continue before any serious attempt was made to check it, and how slowly the national conscience was aroused to the necessity of taking active and effective measures. Work in the factories did not in all probability make greater calls upon the powers of the children than work in other occupations³; but the cotton factories brought the evil into light in connection with a growing industry, in which it was practicable to deal with it. The subsequent attempt to enforce regulations in old-established trades roused less opposition⁴, since a beginning

attracted attention,

¹ Gaskell (*Artisans and Machinery*, 81) speaks of yeomen who obtained jennies and tried to compete with the mules. The opportunity of industrial occupation would delay the extinction of the class (see above, p. 558) of small farmers in this district. Kennedy's description implies that the cotton weavers owned the implements and turned their own cottages into small factories, before water-power was used. *Rise and progress of Cotton Trade*, in *Memoirs of the Literary and Philosophical Society of Manchester*, 2nd Series, III. 120, 9.

² Hutchins and Harrison, *Factory Legislation*, 7.

³ Mr Cooke Taylor has recorded the impressions of some of the elderly men with whom he spoke in 1842. One of them appealing to his own youth—about 1770—maintained that these had been "really the days of infant slavery. 'The creatures were set to work,' he said, 'as soon as they could crawl,' and their parents were the hardest of task masters. I may remark that on a previous occasion I had received a similar account from an old man in the vale of Todmorden, who declared that he would not accept an offer to live his whole life over again, if it were to be accompanied with the condition of passing through the same servitude and misery which he had endured in infancy. Both these old men expressed great indignation at the clamour which had been raised for infant protection; my Todmorden friend quite lost his temper when any reference was made to the subject, contrasting in very strong terms the severities he had endured, and the heavy labours he had to perform, both in his father's house and afterwards as an apprentice, with the light toil and positive comfort of the factory children." *Notes of a Tour in the Manufacturing Districts of Lancashire*, 141.

⁴ The Act of 1802 applied to other factories besides cotton mills, but there seems to have been very little spinning of wool by children in mills at that date.

had been made with the cotton trade; after the principle of state intervention had once been accepted, it became possible to apply it, step by step, not only to factories, but to workshops as well. A.D. 1776
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The main evil, as recognised at this time, lay, not in the excessive hours of work¹, but in the conditions under which the children who had been apprenticed in cotton factories were housed and fed. The seventeenth and eighteenth centuries were fully alive to the peril of idleness, as the source of crime of every kind²; the squatters on commons and the weavers, who worked or not as they chose, were regarded as dangers to the prosperity of the country, but the ordinary citizen failed to contemplate the possibility of any evil arising from overwork. Still the public did appreciate the unwholesome conditions in which the children were housed and fed, and the fact that they were deprived of all opportunity of instruction. Most of them were parish apprentices, who were brought in batches from their parishes, and the parish authorities were very negligent³ about seeing that the terms *not from
the danger
of over-
work,*

¹ Dr Percival may be regarded as exceptionally far-seeing. In the report which he and other medical men presented to the Lancaster county magistrates in 1784 the following passage occurs. "We earnestly recommend a longer recess from labour at noon and a more early dismissal from it in the evening, to all those who work in cotton mills; but we deem this indulgence essential to the present health and future capacity for labour, for those who are under the age of fourteen; for the active recreations of childhood and youth are necessary to the growth, the vigour and the right conformation of the human body. And we cannot excuse ourselves on the present occasion from suggesting to you, who are the guardians of the public weal, this further very important consideration, that the rising generation should not be debarred from all opportunities of instruction at the only season of life in which they can be properly improved." Apparently in consequence of this report the magistrates resolved that in future they would not allow "indentures of Parish Apprentices whereby they shall be bound to owners of cotton mills and other works in which children are obliged to work in the night, or more than ten hours in the day." Hutchins and Harrison, *History of Factory Legislation*, 8.

² This point is well brought out by Miss Hutchins and Miss Harrison in their excellent work on *Factory Legislation*, 8.

³ The system of farming the poor (see above, p. 575) doubtless contributed to the neglect on the part of parish authorities. The officials had, at all events, no interest in interfering on behalf of the children. "It is within the compass of probability, that there have been, and are yet, instances, wherein the overseers of the poor and more especially the assistant overseers, who are mere mercenaries and serve for pay, have been, and are, some of them at least, bribed by the owners of mills for spinning silk, cotton or woollen yarn, to visit the habitation of the

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but because
of their
defective
moral
training.

of the indentures were properly complied with. Apprenticeship had always been regarded not merely as a period of service, but as an opportunity of training in conduct. The public mind had been uneasy about the treatment of other parish apprentices¹, but the number of the cotton factories concentrated in Manchester led to the demands for special regulations for those who were bound to this particular trade². Sir Robert Peel, who felt the need of more effective regulations than he had been able to give in his own factory³, took the matter up, and a measure was passed in 1802, for the protection of apprentices in cotton and other factories. The Act⁴ insists that the interior of the mills should be whitewashed twice a year, and that they should be properly ventilated; it enacts that the apprentices shall be provided with proper clothing by their masters; it forbids work for more than twelve hours, and prohibits night work—with a temporary exception for large mills; it provides that the apprentices shall receive elementary education and religious instruction, and lays down rules as to their sleeping accommodation.

The first
Factory
Act

The measure appears to have been almost inoperative⁵; it probably led the mill-owners to engage children to work

persons receiving parochial aid, and to compel them, when children are wanting, utterly regardless of education, health or inclination to deliver up their offspring, or by cutting off the parish allowance leave them to perish for want!" John Brown, *Memoirs of Robert Blincoe*, p. 29. A writer on the workhouses of Great Britain in 1782 complains of "a very bad Practice in Parish Officers who to save Expense, are apt to ruin children by putting them out as early as they can, to any sorry masters that will take them, without any concern for their Education or Welfare, on account of the little Money that is given with them." Hutchins and Harrison, *op. cit.* 6.

¹ Jonas Hanway had called attention to the frightful mortality among parish infants (*Letters on the importance of the rising generation* (1777), i. 27) and to the condition of the chimney sweeps. For other references see Hutchins and Harrison, *op. cit.* 6, 14.

² Compare the resolutions of the Manchester Board of Health (1796) quoted by Sir Robert Peel. *Minutes of evidence on Children employed in Manufactories*, in *Reports*, 1816, iii. 377, printed pag. 189.

³ *Id.* 377.

⁴ 42 Geo. III. c. 78, *An Act for the preservation of the health and morals of parish apprentices and others employed in cotton and other mills*.

⁵ Sir Robert Peel seems to have thought that it had had beneficial effects at the time it was passed (*Reports*, 1816, iii. 378, printed pag. 140), but it is difficult to believe that the Act caused any considerable change in the mills generally. Even when the parish authorities were moved to interfere, no obvious improvement resulted. It is probable that "the atrocious treatment experienced by the thousands and tens of thousands of orphan children, poured forth from our

without agreeing to a formal apprenticeship, and in any case, it was easy to evade the measure, as there was no proper machinery for enforcing it¹. Still, this first Factory Act has a very great importance, as marking the genesis of the modern system of industrial regulation; it served as the thin end of the wedge. The factory legislation of the nineteenth century was occasioned by the new conditions which arose, in consequence of the introduction of machinery, but it was not a wholly new departure. It has its origin in connection with the mediaeval, and Elizabethan system, of

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was
directly
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ship
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charitable institutions, and from parish workhouses, and the dreadful rapidity with which they were consumed in the various cotton mills, to which they were transported, and the sad spectacle exhibited by most of the survivors, were the real causes, which, in 1802, produced Sir Robert Peel's Bill, for the relief and protection of infant paupers employed in cotton mills. Hence, the extraordinary liveliness evinced by the overseers and churchwardens of Saint Pancras might have been occasioned by the dreadful scenes of cruelty and oppression developed during the progress of that Bill, which Blincoe never heard of, nor ever saw, till eleven or twelve years after it had passed into a law. It would be difficult to produce a more striking instance of the utter contempt, in which the upstart owners of great establishments treated an Act, purposely enacted to restrain their unparalleled cruelty and waste of human life. The Act itself declared the masters, owners, or occupiers of every cotton mill in Great Britain and Wales should have a legible copy of the Act, placed in some conspicuous and public part of each mill, and accessible to everyone; yet Blincoe who was reared in the cotton mill, never saw or heard of any such law, till eleven or twelve years after it had been enacted!

"When the committee began their investigation, as to the treatment and condition of the children sent from St Pancras Workhouse, Blincoe was called up among others and admonished to speak the truth and nothing but the truth! So great however was the terror of the stick and strap, being applied to their persons, after these great dons should be at a great distance, it rendered him and no doubt the great majority of his fellow-sufferers extremely cautious and timid. It is however likely that their looks bespoke their sufferings, and told a tale not to be misunderstood. The visitors saw their food, dress, bedding, and they caused, in conjunction with the local magistrates very great alterations to be made. A new house was ordered to be erected near the mill, for the use of the apprentices, in which there were fewer beds to a given space. The quantity of good and wholesome animal food to be dressed and distributed in a more decent way, was specified. A much more cleanly and decorous mode of cookery and serving up the dinner and other meals was ordered. The apprentices were divided into six classes, and a new set of tin cans numbered 1, 2, 3, 4, 5, and 6 were made to be served up to each individual according to the class to which he or she may belong, to hold the soup or porridge! The old governor was discharged, who had given them all such a fright on their first arrival, and several of the overlookers were dismissed and new ones introduced." John Brown, *Memoir of Robert Blincoe*, p. 27.

¹ The justices were to appoint visitors to inspect the mills, and provision was made for the registration of mills.

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*Before the
power-loom
came into
use,*

apprenticeship; this gave a good ground in law¹ and custom for taking up the matter at all.

249. The great development of cotton spinning suggested the possibility of constructing a machine for weaving; this was actually done by Dr Cartwright²; but he had not the business ability³ of Arkwright, and the invention did not come into general use, or greatly affect either the conditions of the trade, or the employment of weavers, during at any rate the first few years of the nineteenth century⁴. Yet owing to

¹ In 1801 Mr Justice Grose sentenced a man named Jouvaux to twelve months hard labour for ill-treating his apprentices. *Hutchins and Harrison, op. cit.* 14.

² A previous experiment had been made by John Kay, but seems never to have been taken up; Woodcroft, *op. cit.* 4. Edmund Cartwright, who was a Kentish clergyman, knew nothing about the textile trades and had never interested himself in machine construction, until he invented the power-loom. While at Matlock, in 1784, he had had some conversation with spinners there, who were contending that such a vast quantity of yarn was now spun that it would soon be impossible to get hands to weave it. His suggestion that a weaving machine should be invented was apparently treated with scorn; but as he believed that only three movements were required in the process, he set himself to construct a machine with the help of a carpenter and smith. His machine was cumbersome in the extreme, and it required two strong men to keep it going even slowly, but he was proud of his invention and patented it. It then occurred to him to go and see a weaver at work; with the result that he was able to improve on his first rough attempt and to produce a machine which was eventually a commercial success; Dr Cartwright's own attempts to make it remunerative proved a failure, and it was not till 1801 that mills were started at Glasgow, where it was worked to advantage. (Baines, 231.)

³ The mill which Cartwright erected at Doncaster was not a success, and Grimshaw's mill fitted with power-looms at Manchester in 1790 did not give satisfactory results. *Guest, op. cit.* 46.

⁴ Power weaving hardly became a practical success till after the invention of the dressing-frame. "In the year 1803, Mr Thomas Johnson, of Bradbury in Cheshire, invented the Dressing Frame. Before this invention the warp was dressed in the Loom in small portions, as it unrolled from the beam, the Loom ceasing to work during the operation. Mr Johnson's machine dresses the whole warp at once; when dressed the warp is placed in the Loom which now works without intermission. A factory for Steam Looms was built in Manchester, in 1806. Soon afterwards two others were erected at Stockport, and about 1809, a fourth was completed in Westhoughton. In these renewed attempts to weave by steam, considerable improvements were made in the structure of the Looms, in the mode of warping, and in preparing the web for the shuttle. With these improvements, aided by others in the art of spinning, which enabled the Spinners to make yarn much superior to that made in 1790, and assisted by Johnson's machine, which is peculiarly adapted for the dressing of warps for Steam Looms, the experiment succeeded. Before the invention of the Dressing Frame, one Weaver was required to each steam Loom, at present a boy or girl, fourteen or fifteen years of age can manage two Steam Looms, and with their help can weave three and a half times as much cloth as the best hand Weaver." *Guest, op. cit.* 46.

the action of other causes, the weavers sank rapidly from a condition of unusual comfort into one of terrible privation. During the peace which preceded the Revolutionary War, the manufacture had been rapidly developed, and had been in part taken up by speculators who produced recklessly¹. As a consequence the payments for cotton weaving rose to an unprecedented figure². The attraction of the rates offered was so great that labour was drawn from other employments; it was only by agreeing to raise wages that farmers could obtain the necessary hands³. As Dr Gaskell writes, "Great numbers of agricultural labourers deserted their occupations, and a new race of hand-loom weavers, which had undergone none of the transitions of the primitive manufacturers were the product of the existing state of things. This body of men was of a still lower grade in the social scale than the original weavers, had been earning a much less amount of wages, and had been accustomed to be mere labourers. The master spinners therefore found them ready to work at an inferior price, and thus discovered an outlet for their extra quantity of yarn. This at once led to a great depreciation in the price of hand-loom labour, and was the beginning of that train of disasters which has finally terminated in reducing

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the cotton weavers enjoyed great prosperity temporarily

¹ "It has arisen in this way, that people having very little or no capital, have been induced to begin by the prospects held out to them, perhaps by people in London, and when they have got the goods into the market, they have been obliged to sell them for less than they cost, or without regard to the first cost, and this has injured the regular trade more than anything else. I think, * * * when the regular Manufacturer finds that he cannot sell the goods at the price they cost, he is compelled to lower his wages. * * * Perhaps three, four or five (of the new persons) may be insolvent every year in the neighbourhood (of Bolton), and when they come to be examined before their Creditors, it turns out the cause of their Insolvency is, the goods being sold for less than they cost" (Mr Ainsworth's evidence, *Reports, etc., Journeymen Cotton Weavers*, 1808, II. p. 102). See also the *Report on Manufactures, Commerce, etc.*, in 1833. "Trade at present requires industry, economy and skill. During the war, profits were made by plunges, by speculation." *Reports*, 1833, VI. 27, printed pag. 23.

² Owing to the plentiful supply of cotton yarn, weavers were attracted from woollen to cotton. *Annals of Agriculture*, XVI. 423.

³ *Reports*, 1808, II. 119. Mr Atherton said that the wages of agricultural labourers near Bolton, which were from 8s. to 8s. 6d. a day in 1808, rose at the time when weavers' wages were high; "they rose up from 2s. 4d. a day when wages were so that we (weavers) could get a good living; at that time people would not work out-work, if they could get Weaving." "The pay of agricultural labour is much higher than it has been, owing to a great many cotton manufactories being erected in this county" (Cumberland in 1795). *Annals of Agriculture*, XXIV. 313.

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those who have kept to it to a state of starvation¹." The good times did not last, however; the interruptions caused by the war reduced the opportunities for employment. Not only was there a danger, which was severely felt during the war of 1812, of an interruption of the supplies of material for the spinners, and consequent diminution of the demand for weaving, but times of peace brought no corresponding advantage to weavers, though they benefited the spinners. English yarn was exported and woven by German manufacturers, so that there was little market on the continent for English woven cloth². The wages paid in the overcrowded trade fell to lower and lower rates. In 1808 the cotton weavers seem to have worked for about a half of the wages they had received eight years before³, and the depression continued to get worse and worse⁴. This newly developed and suddenly distressed industry was the field on which the battle, between the old method of regulating wages and the new system of depending on competition, was to be fought out.

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pay.

The Arbitration Act
of 1800

The first attempt at affording any sort of relief was made immediately after the tide of prosperity had turned. The Arbitration Act of 1800⁵ was intended to provide a cheap and summary mode of settling disputes. It empowered the weavers and their employers to go before Arbitrators in case of any difference as to wages, and arranged that the rates thus fixed should be enforced; but this proved inoperative; the general uncertainty which affected the trade rendered the scheme nugatory. Prices could not be maintained, and the masters again and again lowered wages, with disastrous effects. The diminution of wages⁶ only tended to

¹ Gaskell, *Artisans and Machinery* (1886), 84.

² Radcliffe, *New System of Manufacture*, p. 49 fol.

³ *Reports*, 1808, II. 108. It is difficult to calculate precisely, as the length of the piece was increased, while the wages decreased and the outgoings were heavier proportionally on the lower wages. For the piece (two weeks' work) in 1797, fifty shillings was paid, and in 1808, only eighteen shillings. *Ib.* 116.

⁴ See the figures in Baines, *op. cit.* 489: "Fluctuation was a greater evil perhaps than the lowness of the rate; previous to that period (1811) fluctuations to the extent of 30 per cent. took place in the course of a month in the price of labour." *Reports (Artisans and Machinery)*, 1824, v. 60.

⁵ 40 Geo. III. c. 90.

⁶ It also affected the home demand prejudicially; with starvation wages, labourers could not buy cloth so largely. Brentano, *Anfang und Ende der englischen Kornsohle*, p. 13.

increase the production, as the weavers worked longer hours ^{A.D. 1776} in the hope of making up the old rate of income¹; and they ^{—1850.} were forced into deeper and deeper misery. As was to be expected, the small masters, who were not in a substantial position, were chiefly to blame for cutting prices lower and lower; many of the employers would have been willing to see some method adopted for fixing a minimum wage for the weavers, and gave in their adhesion to the policy which was advocated by the men². The workmen had been unsuccessful in getting the Arbitration Act amended so as to meet their expectations³, and in 1808 an attempt was made to induce Parliament to fix a statutory minimum for weavers' wages⁴. The feeling of the House was decidedly against such a measure, however; though the appeal of the Lancashire weavers was so piteous that it could not be ignored altogether. A Select Committee took evidence on the subject, and reported very decidedly against the proposal as impracticable and likely to aggravate the distress. At length in 1812 the weavers discovered that there was no need to agitate for fresh legislation, as the law of the land already provided all that they asked for. They appealed to the magistrates in Quarter Sessions to have the Elizabethan Act for the assessment of wages put into effect; but the only result was that the subject came once more under the notice of Parliament⁵, and Lord Sidmouth proceeded to move for

proved ineffective;

and the weavers demanded

an assessment of their wages under the Act of 1563.

¹ *Reports, etc.*, 1808, II. 119.

² Many of the mill-owners as well as the hands would have welcomed it. "Do you know whether the head Manufacturers of Bolton are desirous of this minimum?" "The head manufacturers in general are. Mr Sudell told me he wished it might take place, and he should call a meeting in Blackburn about it; the smaller Manufacturers in our town in general have petitioned for it; there are very few who have objected to it." *Reports, Misc.* 1808, II. 119. See also pp. 98, 106, and Petition, *Commons Journals*, LXIV. 95.

³ The amending Act of 1804 (44 Geo. III. c. 87) was no more successful than the original measure.

⁴ The project was again mooted in 1835 as a remedy for the distress among the cotton-weavers. It was advocated by Mr John Fielden. *Select Committee on Hand-Loom Weavers, Reports, etc.* 1835, XIII. p. 81, questions 43, 45, 46.

⁵ The change in the tone of parliamentary discussion is very noticeable, if we compare the debate in 1795 on Mr Whitehead's bill for fixing a minimum wage, which was read a second time *sem. con.* and was sympathetically criticised by Fox (*Parl. Hist.* XXXII. 700), with that on the cotton weavers' Bill in 1808. Mr Rose himself, in introducing the Bill, indicated his dissent from its principles and excused himself on the ground that he was acting "in compliance with the wishes

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*This had
fallen into
desuetude,*

the repeal of this part of the measure, since it had long fallen into desuetude, and the principle of the Act was condemned by exponents of the fashionable Political Economy of the day¹. The House of Commons does not appear to have thought it necessary to make any further enquiry into the probable effect of their action on the one class in the community who addressed them on the subject. Petitions were sent from several centres in Lancashire, but the Bolton petition may be quoted at some length. It sets forth that—"The Petitioners are much concerned to learn that a Bill has been brought into the House to repeal so much of the Statute 5 *Eliz.* as empowers and requires the Magistrates, in their respective jurisdictions, to rate and settle the prices to be paid to labourers, handicrafts, spinners, weavers, etc., and that the Petitioners have endured almost constant reductions in the prices of their labour for many years, with sometimes a trifling advance, but during the last 30 months they have continued, with very little alteration, so low, that the average wages of cotton weavers do not exceed 5s. per week, though other trades in general earn from 20s. to 30s. per week; and that the extravagant prices of provisions of all kinds render it impossible for the Petitioners to procure food for themselves and families, and the parishes are so burthened that an adequate supply cannot be had from that quarter; and that in the 40th year of His present Majesty, a Law was made to settle disputes between Masters and Workmen, which Law, having been found capable of evasion, and evaded, became unavailing; after which in 1802, 1803, and 1804, applications being made to amend that of the 40th, another Law was

of the cotton weavers, backed with the consent of their employers." *Parl. Debates*, xi. 426, 427.

¹ Chalmers held that the true interest of a manufacturing community can alone be effectually promoted by competition, which hinders the rise of wages among workmen and promotes at once the goodness and cheapness of the manufacture. Chalmers, *Estimate of the Comparative Strength of Great Britain*, p. 87. Ricardo gave the sanction of his authority to this manner of dealing with the question when he spoke against any delay in the repeal of the Spitalfields Acts. "The principles of true political economy never changed, and those who did not understand that science had better say nothing about it, but endeavour to give good reasons, if they could find any, for supporting the existing act" (*Parl. Debates*, N. S. ix. 381. Compare Bonar, *Letters of David Ricardo to Malthus*, p. xij).

made varying in some points from the former, but this also is found unavailing, in as much as no one conviction before a Magistrate under this Law has ever been confirmed at any Quarter Sessions of the Peace; and that several applications have since been made to the House to enact such Laws as they would judge suitable to afford relief to the trade, in which Masters and Workmen have joined, but hitherto without any effect; and that, about twelve months since, it was found that the Statute of Elizabeth (if acted upon) was competent to afford the desired relief, and it was resorted to in certain cases, but the want of generality prevented its obtaining at that time, especially as it can be acted upon only at the Easter Quarter Sessions or six weeks thereafter; and that as Petitions to the Magistrates were almost general at the last Quarter Sessions, and all graciously received at each different jurisdiction, much hope was entertained that at the next Easter Sessions, the Magistrates would settle the wages of the Petitioners, and they obtain food by their industry; and that the present Bill to repeal the aforesaid Law has sunk the spirits of the Petitioners beyond description, having no hope left; the former laws made for their security being unavailing, there is no protection for their sole property, which is their labour; and that, though the said law of 5 *Eliz.* was wisely designed to protect all Trades and Workmen, yet none will essentially suffer by its repeal save the Cotton Weavers; the Silk Weavers have law to secure their prices, as have other Artisans. Tradesmen generally received their contracted wages, but Cotton Weavers, when their work is done, know not what they shall receive, as that depends on the goodness of the employer's heart¹. So far as the history of the repeal of these clauses can be traced, it does not appear that there was any demand for it, or that any petitions were presented in favour of repeal. The magistrates and weavers in Lancashire were anxious that the Act should remain, and the majority of the employers appear to have been favourable to some measure of the sort. The House of Commons was not moved by manufacturers or practical men of any sort; it seems to have been simply

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*and was
repealed in
deference to
doctrinaire
opinion*

¹ *Commons Journals*, LXVIII. 229.

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—1850.

with the
result of
throwing
the cotton-
weavers on
the rates
in Lancashire.

influenced by the exponents of the principles of Political Economy, who overvalued the reliability of the *laissez faire* doctrines on which they laid such stress; and the wage clauses of the Statute of Artificers were repealed in 1813¹. The manufacturing population had always been liable to come on the rates in periods of bad trade², and the determination of the legislature had the effect of habituating the cotton-weavers to allowances in addition to wages³. It is important to observe, that in this agitation the weavers were maintaining a strictly conservative attitude; they asked to have the law of the land put in execution, and they could not but be deeply incensed at the line taken, both by the legislature and by the magistrates who were charged with the administration of the law.

The Scotch
weavers,
when
attempting
to secure
legal
redress

The cotton weavers in Scotland fared even worse. They were anxious to obtain an authoritative list of prices, and at last, after long and very costly proceedings in the Court of Session, they did procure the authoritative recognition of certain rates as legal. So soon, however, as they endeavoured to enforce it, they found that the magistrates would not

¹ 53 Geo. III. c. 40.

² See above, pp. 50, 562 n. 4, 571, 577, and 656 below.

³ Mr Henderson's report in 1838 is very instructive, and shows that the moral effects were not so disastrous as in the agricultural districts. "The depression of wages, and the difficulty of finding employment, especially for the older weavers, whose habits were fixed, has led to a general practice in the weaving district of making an allowance to able-bodied weavers, with more than two children under 10 years of age. There is no fixed scale for this allowance, but the practice is to make up the earnings of the family to 2s., or in some places, to 1s. 6d. a head. This course certainly is an approximation to the payment of wages out of the poor rate; but there are some material distinctions between the case of the weaver and the case of the agricultural labourer. The agricultural roundman has no spur to exertion, nor interest to please the farmer, who is his master only for the day, consequently his habit of industry is relaxed and destroyed; on the other hand, as the weaver always works by the piece, and the current rate of wages is well-known, it is easy to calculate what he might earn if industrious, and the parish allowance is apportioned accordingly; so that, if he is indolent, he suffers for it; if he is industrious, he reaps the benefit of his exertions; and the fact unquestionably is, that the weavers are stimulated beyond their powers under the allowance system." *Reports*, 1834, xxviii. 913. The progress of the power-loom compelled increasing numbers to rely on the allowance system. It had been unknown in Oldham in 1824 (*Reports*, 1824, vi. 406), but in 1838, the members of the select vestry, who were very careful in administering relief, found that "after providing for the aged, sick, widows with families and other usual dependents on parochial aid, the hand-loom weavers require the principal attention." No permanent relief was afforded to any able-bodied men except weavers. *Reports*, 1834, xxviii. 921.

support them, and they were forced to try to fight their own battle by engaging in the great strike of 1813 in which 40,000 weavers took part¹. At that date the organisation of such a movement was a criminal offence; the police intervened, and the strikers were sent to gaol. This great struggle, resulting as it did in the abandonment of all attempts at the State-regulation of wages², testifies alike to the miserable condition of the workmen in this great industry, and to the inability of the government to suggest any remedy. It is well to remember that the distress in this trade cannot be assigned to the introduction of machinery, as the power-loom was still in its infancy. In fact, it appears that the low rates to which the wages of hand-loom weavers were driven down interfered to prevent the introduction of the power-loom; the cost of production was so low that there was little prospect of any saving from the use of machines³; there was not sufficient economic motive to induce manufacturers generally to incur the risk and unpopularity of sinking their capital in costly plant.

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liable to
criminal
proceed-
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250. The weavers were not the only body of artisans employed in the cotton trade who suffered severely during the long wars. The calico printers were also in a pitiable condition, but there was a reason for their distress which was entirely independent of the trade fluctuations which had affected the weavers. An ingenious and expensive machine for calico printing had been introduced, with the result that the labour of skilled men was hardly required at all; the employment of boys was substituted for that of men on quite

The intro-
duction of
machinery
in calico
printing

¹ An admirable account of the whole proceeding will be found in Mr Richmond's evidence. *Reports (Artisans and Machinery)*, 1824, v. pp. 59—64.

² There is a curious parallel in the story of the agitation which had occurred in Gloucestershire and Wilts in 1756. The woollen weavers in the Stroud Valley and other centres of the trade had demanded that the practice of assessing wages should be re-introduced, and obtained a new Act of Parliament (29 Geo. II. c. 33) under which a list was published (*C. J.* xxvii. 782). The clothiers of the West of England would not abide by this schedule of payments, and petitioned Parliament to repeal the new Act and allow wages to be settled by competition. The Committee of the House of Commons reported that the clothiers had proved their case and that attempts to assess weavers' wages were impracticable and injurious. Mr Richmond alleged, however, in 1824 that the measure passed under George II. had "been acted on repeatedly in England, on a small scale." *Reports*, 1824, v. 60.

³ See below, p. 791.

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a large scale, and the trade suffered from overstocking with apprentices.

Calico printing is one of the arts which the Huguenots introduced into this country after the Revocation of the Edict of Nantes¹. This was the period when, under Whig tutelage, strenuous efforts were being made to protect native industries, and Indian prints had been prohibited in order to benefit the English woollen workers. This told in favour of the newly planted printing trade for a time², since there was no competition to be feared from Indian painted goods, while the calico printers were able to get plenty of Indian white calico to work on. At the close of the eighteenth century, the printing trade was still carried on in the neighbourhood of London, where the finest work continued to be done³; it had also been introduced into Lancashire about 1764, by Mr Robert Peel⁴, the father of the first baronet of that name, and it developed rapidly with the growth of the cotton manufacture. Hand printing was effected by means of engraved blocks ten inches long and five wide; these could of course only print in one colour at a time, and great care had to be used in adjusting them⁵, so as to render the pattern continuous. The printing of a piece of calico twenty-eight yards long in a single colour involved 448 separate applications of the block, and the introduction of a second colour would have required a repetition of the same work⁶. This laborious process was superseded about 1785 by the invention of cylinder printing; the cloth was passed over engraved cylinders, so that two or more colours could be printed at the same operation, and only a hundredth part of the labour previously needed was now requisite to produce the same result⁷. Under the new conditions boys could be employed in what had been hitherto the work of men; so that on the introduction of the machinery, complaints began to be made by the journeymen as to the undue multiplication of apprentices. There was one shop in Lancashire where fifty-five apprentices had been working at

*led to the
substitution of boys
for men.*

¹ See above, p. 329.

² The legislature subsequently interfered to check the trade; see above, p. 517.

³ Baines, *op. cit.* 265.

⁴ *Ib.* 262.

⁵ In 1782, when the trade as carried on by hand labour had reached a high degree of excellence, there was legislation against enticing operatives abroad or exporting blocks. 22 Geo. III. c. 60.

⁶ Baines, *op. cit.* 266.

⁷ *Ib.* 266.

one time, and only two journeymen¹; it was obvious that under such circumstances, the man who had served his time had very little hope of obtaining employment. The usual contract of apprenticeship in the trade was very one-sided²; the masters were careful to safeguard themselves against any loss which arose from the unskilfulness of the boys, and retained a right of dismissal; while the boys were compelled to work for the full period of seven years, at wages which were very much lower than those which journeymen would have demanded³. The Elizabethan custom of apprenticeship was maintained, but in a form which was very oppressive towards the apprentices, and most injurious to the adult workmen. A bill was introduced into Parliament for limiting the proportion of apprentices to journeymen, and insisting that there should be proper indentures for each apprentice⁴. There was an interesting debate on the second reading, when Mr Moore⁵ expressed strong views as to the duty of the State towards the artisan population, and Sheridan⁶ vigorously advocated the cause of the journeymen. But, as might have been expected, the principles of *laissez faire* prevailed; the bill was dropped, and no other remedy for the admitted evil was attempted. The whole story presents some very curious features, and it is difficult to follow the course of the transition⁷;

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and over-
stocking
with ap-
prentices.

¹ This was in 1794; this extraordinary disproportion appears to have been due to wholesale dismissals of journeymen in periods of slack trade (*Reports, etc., Calico Printers*, 1808-4, v. 594). At the same mill in 1808 there were 51 journeymen to 44 apprentices. *Ib.* 599.

² *Report, Calico Printers*, 1806, iii. 1180.

³ A boy in his first year was paid 8s. 6d. a week, and employed on work for which a journeyman would have been paid £1. 11s. 6d. *Reports, Calico Printers*, 1808-4, v. 596.

⁴ *Public Bills*, 1806-7, i. 207. Compare also the *Report on the Minutes of Evidence*, in *Reports*, 1806, iii. 1127.

⁵ "He conceived it the first duty of the government to see that the subjects of the realm had bread." *Parl. Debates* (28 April, 1807), ix. 534.

⁶ "What was their complaint? Why, that after having served seven years to a business confessedly injurious to their health, and which rendered them unfit for any other occupation, they were to be turned loose upon the world, supplanted in their employments by whole legions of apprentices, at 12 or 14 years of age, for the wages of 4s., 6s., or 8s. per week, instead of 25s., the usual average of the journeyman, by whose previous skill and ingenuity the operations of the manufacture were so amplified that children could do the work as well as journeymen." *Ib.* 535.

⁷ It appears that there were no complaints as to the condition of the trade in

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but at all events, the incident brings out a special form of injury to which labour might be exposed by the adoption of machines, through the shifting of employment from one class of labourers to another, and the loss which fell on the skilled workman.

The quality of the product was improved by the introduction of machinery in the cotton trades.

So far as this and other branches of the cotton trade was concerned, the introduction of machinery had tended not only to an immense increase of the quantities produced, but to an improvement of the quality. A machine can go on turning out a perfectly regular yarn, in a way that very few fingers are capable of doing, and the possibilities of error in power weaving and steam printing are reduced to a minimum. There are many wares which lose all artistic interest, when they are turned out by machinery, but cotton yarn is not one of them; the deftest spinners had cultivated a mechanical precision, and the new machinery carried the spinners' art to a high degree of perfection. From every point of view the economic advantage of the new developments was incontestable.

The condition of the woollen trades differed from that of the cotton trade.

251. The conditions of the woollen trades were in many respects very different from those of the cotton manufacture. As a consequence, the effects of the introduction of machinery were very dissimilar in the two great branches of textile industry. It is also true that the course of the transition in

London, but that a due proportion of journeymen were employed there. In fourteen shops there were 87 apprentices to 216 journeymen (*Reports*, 1808-4, v. 596). It is still more startling to find that the Manchester calico printers in 1815 had a very strong combination and were able to insist on the trade being managed as they desired. One of the employers thus addressed the men: "We have by terms conceded what we ought all manfully to have resisted, and you elated with success have been led on from one extravagant demand to another, till the burden is become too intolerable to be borne. You fix the number of our apprentices, and oftentimes even the number of our journeymen. You dismiss certain proportions of our hands, and will not allow others to come in their stead. You stop all Surface Machines, and go the length even to destroy the rollers before our face. You restrict the Cylinder Machine, and even dictate the kind of pattern it is to print. You dismiss our overlookers when they don't suit you, and force obnoxious servants into our employ. Lastly, you set all subordination and good order at defiance, and instead of showing deference and respect to your employers, treat them with personal insult and contempt." *Considerations addressed to the Journeyman Calico Printers by one of their Masters*, quoted by S. and B. Webb, *History of Trade Unionism*, 67. On the support which this combination received from other trades, see a pamphlet, to which Mr Webb kindly called my attention, by W. D. Evans, entitled *Charge to the Grand Jury*, pp. 5, 17.

the woollen manufacture is very much harder to trace, A.D. 1776
 Cotton spinning had been, on the whole, concentrated in —1850.
 the Lancashire district, and the introduction of spinning
 machinery, with the consequent development of the trade,
 aroused a great deal of interest, and was written about at the
 time. The spinning of wool, on the other hand, was widely
 diffused through all parts of the country in the latter part of *as spinning
 was widely
 diffused,*
 the eighteenth century; the course of the change in one
 district was in all probability very different from the transition
 in others, and as the revolution did not bring about an
 immediate expansion of the trade, it did not attract any
 special attention; we are very badly off for accurate informa-
 tion on the whole subject.

The cotton trade, in the first half of the eighteenth
 century, had been exposed to fierce competition from manu-
 facturers on the continent; it was only by obtaining a start
 in the introducing of mechanical spinning that England
 secured for a time a very great advantage over all her rivals
 in this industry. With the woollen trade it was different; *and native
 materials
 were largely
 employed.*
 the supply of raw material had given the English clothiers a
 position of great economic strength, if not of actual monopoly,
 all through the sixteenth, seventeenth and eighteenth centu-
 ries; the anxiety of the traders was directed not to gaining,
 but to maintaining their advantage over competitors. ✓

These various differences are, however, connected with the
 fundamental distinction that the clothiers were engaged in
 working up native materials, while the cotton manufacturers
 were not. Considerable quantities of Spanish and German
 wool were imported, especially for use in certain classes of
 goods; but the English product was the main basis of the
 trade¹. From this it followed that there was not the same
 danger of violent fluctuations in the woollen, as in the cotton
 trade; the supply of raw material was less likely to be cut off
 suddenly², but on the other hand there was less possibility of
 expansion. The cotton manufacturers could look to practi-
 cally unlimited areas in distant parts of the globe for an
 increased supply of raw material; while the quantity of *The supply
 of English
 wool was
 limited,*
 English wool obtainable was limited. The clothiers had a

¹ See above, p. 495.

² See above, p. 625, and below, p. 689.

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practical monopoly of the wool grown in the country; and there was no considerable area to which they could look for large additional quantities of raw material.

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diminish-
ing,

There is some reason to believe that, during the last quarter of the eighteenth century and first few years of the nineteenth—that is during the period when spinning machinery was being introduced,—the supply of English wool actually diminished¹. Enclosing in the seventeenth and a great part of the eighteenth century had told in favour of the improvement of pasture; but it seems that towards its close, this was no longer the case. The rising price of corn rendered it profitable to convert grass land to tillage, and the area available for pasture seems to have decreased. The policy of the country, too, had been directed, from the fifteenth century onwards, towards rendering corn growing more profitable than pasture farming: the landowners in the grass countries had never succeeded in the demand that they should be treated more or less like the agriculturists and have liberty to export their wool², instead of being limited to the home market. The price was thus kept down, and in all probability this reacted sooner or later upon the quantity produced. At all events it appears that about 1794–6 there was a deficiency, which was looked upon as a wool famine; and the ordinary conditions of the supply of raw material were such, that there was no possibility of a rapid expansion of the manufacture. The changes which had been introduced, in the breeding of sheep, were not favourable to the wool supply, and there was a marked decline in the quality of the British clip³. From 1800 onwards, there was occasion for an

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more
reliance on
foreign
wool,

¹ The price was very low in 1780, and rose rapidly from that time. Long wool was quoted at 4d. and in 1791 at 7½d.; short at 4½d. in 1780 and at 9d. in 1791. Bischoff, *A Comprehensive History of the Wool and Worsted Manufactures*, I. 405.

² In 1816 Lord Milton argued that permission to export would raise the price of wool and thus induce landed men to increase the supply (Bischoff, *op. cit.* I. 411). There had been a similar controversy in 1781, when Sir John Dalrymple urged that exportation should be permitted (*The Question Considered*). This pamphlet called forth answers from Tucker and Forster, and support from Chalmers (*Propriety of allowing Qualified Exportation*, 1782). The gentlemen of Lincolnshire formally advocated it, while the manufacturers agitated against it. *Short View of Proceedings*, Brit. Mus. B. 546 (18), gives a full account of the controversy.

³ "The heavier the carcase the coarser the fleece." Mr Hughes' evidence.

increasing reliance on foreign wools¹, especially those of Saxony, and it seemed as if England were becoming dependent on foreign countries for the materials not only of the cotton trade, but of the long-established woollen industry as well.

The anxiety which was felt upon the subject comes out strikingly in one of the incidental controversies that arose over the union of Ireland with England. High as was the price of wool in England, it was dearer still in the sister island; possibly the repression of the woollen manufactures had been only too complete, and wool-growing, under the discouragements to which the manufacture was subjected, had ceased to be so profitable as to lead men to prosecute it on a considerable scale²; but whatever the reason may have been, the fact remains that the price of wool ranged much higher in Ireland³. In the Act of Union it was proposed that there should be a free interchange of goods between England and Ireland. The manufacturers had long enjoyed a monopoly of the home supply; they believed they had reason to fear that export to Ireland, which had hitherto been prohibited, would force them to pay at a still higher rate. There were some signs of the old jealousy of Irish manufactures; but the opposition was chiefly due to a belief that English wool, if readily transferred to Ireland, would be clandestinely exported thence to the continent, and that our rivals in France and the Low Countries would secure a regular supply of English wool, which would enable them to

and revived anxiety about the smuggling of English wool abroad,

Lords Committee on the State of the British Wool Trade, in Reports, 1828, viii. 400, printed pag. 48. Though the weight of wool was increased, when sheep were fed on clover and turnips, the quality produced was inferior to that from sheep fed on the downs and heath, N. Forster, Answer to Sir J. Dalrymple (1782), p. 27; also Alexander Williams, Address to the Woollen Manufacturers (1800), quoted by Bischoff, i. 884.

¹ In 1800 the importation of wool from Germany was 412,394 lbs., in 1814 it was 3,482,465 lbs.; in 1825 it reached the unprecedented figure of 28,799,661 lbs. *Reports, 1828, viii. Ap. 1, 681.*

² Pococke in 1762 calls attention to the specially good quality of wool produced near Galway. *Tour*, p. 108. Much of the Irish wool thus found its way to Cork, p. 118. For licenses for export of wool from Ireland see *Calendar of State Papers, Home Office, 1760-65*, pp. 251, 375, 508, 687.

³ In England in 1795 wool was 8½d. per lb. as against 11d. per lb. in Ireland. In 1797 wool in England was 6¾d. as against 9¾d. in Ireland, and in 1799 wool was 8d. per lb. in England as against 1s. 8½d. in Ireland. *Bischoff, i. 824.*

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manufacture goods of a class for which Englishmen believed they had exceptional advantages.

*which
showed
itself in all
parts of the
country.*

The agitation gives us an interesting light on many matters connected with this manufacture. A rise in the price of wool would have affected all branches of the trade, and the outcry came from many parts of the country. The outburst was far less local than in 1697; at that time it had been concentrated in the West of England, whence artisans were migrating. A hundred and thirteen firms in London petitioned against permitting export to Ireland, and they were supported by petitions from¹ Cornwall, Exeter, Totnes, Tiverton, Welshpool, Frome, Bury St Edmunds, Huddersfield, Tavistock, Painswick, Rochdale, Huntingdon, Norwich, Somersetshire, Sudbury, Halifax, Gloucester, Bury, Preston, Market Harborough, Witney, Wiveliscombe, Southwark, Bradford, Cirencester, Colne, Burnley, Banbury, Shrewsbury, Leeds, Wakefield, Haworth, Kendal, Addingham, Kidderminster, Keighley, Skipton, Salisbury. A glance at this list shows how widely the trade was diffused; and it is also evident that the manufactures in Yorkshire were coming into prominence as compared with those of the Eastern Counties². Very severe pressure was brought to bear in favour of an amendment moved by Mr Wilberforce "to leave out of the resolution what relates to suffering wool to be exported from this country, but that the Irish should be allowed to work up the wool which they themselves grow"³; but Pitt was anxious to carry the complete commercial union of the two countries and argued at length against the amendment, which was lost.

*A new
source of
supply was
found*

Eventually, necessity proved the mother of invention, and serious attempts were made, not only to improve the breed of English sheep, by the introduction of merino-sheep from Spain, but to find some new area, under English control, for pasture-farming. As a result, advantage was taken of the facilities afforded by Australia. The development of this source of supply was only accomplished gradually, as very serious difficulties had to be overcome. Some sheep were

¹ Bischoff, I. 321.

² Norfolk was still "full of manufacturers" in 1779. *Parl. Hist.* xx. 644.

³ Bischoff, I. 327.

imported from Calcutta, but the native breed of Bengal is not a good stock; the fleece is of a poor colour and bad quality¹. The first important step in improving the breed was taken by Captain Waterhouse, who was in command of H.M. Ship *Reliance*, and called at the Cape in 1797, during the first period of British possession, on his way to Australia. He then had the opportunity of purchasing twenty-nine Spanish merino-sheep, and he bought them, partly on his own account, and partly for friends who were willing to join in the speculation². The passage from the Cape to Sydney occupied nearly three months, and about a third of the sheep died on the way. When they arrived in Australia, they were carefully tended, however, and as Captain Waterhouse distributed them among several farmers³, the breed in the colony and the quality of the wool was improved in an astonishingly short space of time.

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—
through the
trans-
portation
of sheep.

By this means it was demonstrated that Australia was admirably fitted for wool-growing, and that there might be a new and practically unlimited supply of the raw material of our chief manufacture, but it did not become available in any considerable quantity till the second decade of the nineteenth century. Captain Macarthur, who had been engaged in farming in Australia for some years, and had a flock of 4000 sheep⁴, was the first man who devoted himself to pushing this new trade; he visited England in 1803, with the double object of raising capital to engage in pasture farming on a large scale, and of getting a grant, from Government, of lands suitable for a sheep farm.

In neither object was he wholly successful, although he obtained the assistance of one powerful authority in pushing his scheme. Sir Joseph Banks, then President of the Royal Society, had accompanied Cook in his voyage of discovery in 1770, when Botany Bay was first sighted, and he had taken a prominent part in the colonisation of New South Wales in 1787. It was now necessary to set aside part of the system which was then adopted in letting land. Grants had hitherto been made with a view to the prosecution of tillage, and

¹ Bonwick, *Romance of the Wool Trade*, 81.

² *Ib.* 70.

³ *Ib.* 71.

⁴ *Ib.* 73.

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—1850.

and deve-
lopment of
squattling
in
Australia,

with reference to English territorial ideas. Each of the convicts, as he became free, received a grant of thirty or forty acres, if he chose to apply for it, at a quit rent, for the property in the soil was carefully retained by the State¹. The pasture of Australia, though plentiful, was poor, and Captain Macarthur calculated² that three acres were necessary for every sheep, and that a square mile would only suffice for a flock of two hundred. There was a strong feeling against allowing any single individual to monopolise large areas of land in the neighbourhood of the growing town. The difficulty was met by a proposal which was put forward by Sir Joseph Banks. "As you and the gentlemen concerned with you," he wrote, "seem determined to persevere in your New South Wales sheep adventure, and as I am aware that its success will be of infinite importance to the manufacturers of England, and that its failure will not happen without much previous advantage to the infant colony, I should be glad to know whether the adventurers would be contented with a grant of a large quantity of land as sheep walks only, resumable by the Government in any parcels in which it shall be found convenient to grant it as private property, on condition of an equal quantity of land being granted in recompense as sheep walk. The lands to be chosen by your agent in lots of 100,000 acres each, and a new lot granted as soon as the former has been occupied, as far as 1,000,000 acres." This was the form of tenure which was eventually adopted; many graziers held the area for grass alone, and removed elsewhere, when the Government notified them that the land was required for other purposes; they were in consequence spoken of as squatters⁴. Captain Macarthur may be described

¹ Bonwick, 104.

² *Ib.* 75.

³ *Ib.* 77.

⁴ *Ib.* 78. The term squatter is associated in England with settling on a common (see above, p. 568). In Australia the first plan was to grant common grazing rights over a considerable area to a group of settlers by lease (Governor King's *Proclamation*, 1804, in Bonwick, 106). This system soon proved too restricted for the rapidly increasing flocks, and in 1820 letters of occupation were granted to some individuals, so as to allow them to range beyond the limits prescribed in this lease (Bonwick, 106). In 1881 (see p. 861 below) the policy of the colony was so far changed that the out-and-out sale of land was introduced, partly, it would appear, through the influence of Mr Wakefield (*Art of Colonisation*, 45)—though mining rights were still reserved (Bonwick, 107)—but the prices were prohibitive, so far as graziers were concerned, and but little relief was given to them till 1847, when

as the first of the class; he obtained from Government a grant ^{A.D. 1776} of a conditional right to use 5000 acres for pasturing sheep¹, ^{—1850.} and settled down on the Nepean River. He had failed in obtaining the use of British capital for his enterprise, but he had done not a little to stir up public interest in England, and he certainly laid the foundation of the wool trade on which the prosperity of Australia has been built up. The example which had been set was speedily followed, and the terms of Captain Macarthur's grant laid down the lines of the system under which sheep-farming was gradually developed.

Some time elapsed before the supply of Australian wool was sufficient in quantity, or adequate in quality, to cause any serious difference in the prospects of the English cloth manufacture. The importation in 1820 was about 190,000 lbs., in 1826 it was over 1,000,000, and in 1828 it was estimated at double that quantity². After the introduction of the Saxon breeds into New South Wales and Van Diemen's Land, there was an extraordinary improvement in the wool obtained, both as to fineness of texture and softness of quality, and a merchant could predict that, within fifteen or twenty years, England would be independent of supplies from Spain and Germany³. The new source of material had come to be of the utmost importance in the thirties, when the struggle between hand-weaving and power-weaving was being fought out. But the intervention of machine spinning took place in the woollen trade at a time when expansion was impracticable, because of the limitation in the supply of material. *but this area was not available for any considerable quantity*

252. The manufacture of woollen cloth involved an immense number of separate processes, which are enumerated in Mr Miles' Report⁴ on the condition of the hand-loom Orders in Council appeared which divided the waste lands of Australia into three classes, and gave the squatters much greater security of tenure than they had hitherto enjoyed. On the settled lands, which were available for purchase, the squatter had only a yearly tenure; on the intermediate lands, he was allowed an eight years' lease; while on the unsettled lands he might obtain a lease for fourteen years, at the rent of £10 for every 4000 sheep in his flocks (ib. 109). The very form of these orders shows how completely English ideas on the subject had changed since Macarthur first approached the Government on the subject in 1803. *till after the revolution in spinning.*

¹ Bonwick, 81.

² Mr Donaldson's evidence, *Reports*, 1828, viii. 425.

³ Mr Hughes' evidence, *Reports*, 1828, viii. 400.

⁴ *Reports*, 1840, xxiv. 389, printed pag. 369.

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—1850.

*A great
saving was
effected by
machines
for carding
and
scribbling*

weavers in Gloucestershire in 1840; preparing the wool involved seven distinct processes, and double the number were necessary in order to render the cloth, as taken from the loom, fit for the market¹. Mr Miles gives a brief statement of the saving made by the introduction of machinery in each of the more important processes. So far as the preparation of the wool was concerned, the carding machinery patented by Lewis Paul in 1748 and introduced by him at Northampton, Leominster and Wigan², appears to have come into general use before the close of the century, and though it displaced about 75 per cent. of the labour employed³, and some rioting occurred, we hear of wonderfully little disturbance in connection with its introduction. In 1793 Arthur Young, writing of Leeds, describes how he "viewed with great pleasure the machines for unclotting and puffing out wool, if I may use the expression, also for spinning and various other operations⁴." Similarly we hear that in the West Riding, people in general approved of machinery for the preparatory processes, and when wool was given them to weave, took it to the "slubbing engine to be scribbled, carded and slubbed⁵." Mr Howlett, writing from Dunmow in 1790, in enumerating various recent inventions, mentions mills "for grinding the wool preparatory to carding, by means of this the master

¹ The regularly apprenticed Yorkshire clothier had opportunities of becoming practically acquainted with all these processes. Joseph Coope of Pudsey near Leeds gave an interesting account of his training to the Committee on the State of the Woollen Manufacture in 1806. He had been taught when he was eight years old (1788) to spin with a wheel in his parents' house, and subsequently, when jennies were introduced, to card and slub the wool in preparation for the jennies. He was bound apprentice for seven years when he was thirteen. "The first year," he says, "I was chiefly put to the loom, in the second year under the care of my master and a servant man, when I was not at the loom I was still employed in slubbing and carding. The second year I was put to the jenny, and towards the latter end of the second year, and during the third, I alternately spun my own web, and then wove it at the same time, a servant man was working and helped me in the same way." In the fourth year "it was nearly the same only I was getting more proficient in it. The fifth and sixth years, or the two last years rather, my master considered me as competent to do what we commonly call a man's day work." *Reports*, 1806, III. 647, printed pag. 81.

² Bischoff, I. 818. Kay had invented a power machine for carding cotton before 1779. Rees, *op. cit.* s.v. *Cotton*.

³ *Reports*, 1840, XXIV. 390.

⁴ *Annals of Agriculture*, XXVII. 810.

⁵ *Reports*, Misc. 1806, III. p. 392, printed pag. 400; also Mr Ellis' evidence, *ib.* 64.

manufacturer has as much done for 1½d. as used to be performed for 4½d.¹ The machinery for carding appears to have been quite acceptable in Yorkshire in 1806; and to have been ordinarily used by the domestic manufacturers²; similar mechanism had been introduced into Gloucestershire some years earlier³. It is obvious, that as the trade could not expand to any considerable extent, the displacement of so much labour involved a loss of employment; and the attempt to introduce machinery in the preparatory processes of the worsted manufacture gave rise to violent opposition. The worsted⁴, as distinguished from woollen, manufacture works up wools with long staple, the fibres of which are straightened out as in the linen or cotton manufacture; while the woollen manufacture, properly so called, is dependent on wools with a short staple, the fibres of which have much tenacity, and which can thus be matted into a thick material like felt. Till the time of Edmund Cartwright, wool for the manufacture of worsted had been combed by hand; but between the years 1790 and 1792 Cartwright perfected his second great invention. The estimate which he gave of the importance of his invention sounds like an exaggeration, but a brief experience showed that there was no real over-statement; "a set of machinery consisting of three machines will require the attendance of an overlooker and ten children, and will comb a pack, or 240 lbs., in twelve hours. As neither fire nor oil is necessary for machine combing, the saving of those articles, even the fire alone, will, in general, pay the wages of the overlooker and children; so that the actual saving to the manufacturer is the *whole* of what the combing costs by the old imperfect mode of hand combing. Machine combed wool is better, especially for machine spinning, by at least 12 per cent., being all equally mixed, and the slivers uniform

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¹ *Annals of Agriculture*, xv. p. 262.

² *Reports*, 1806, iii, printed pagination 6, 82, 84. The scribbling machinery displaced about 75% of the male labour employed in Gloucestershire in that process. *Reports*, 1840, xxiv. 890.

³ About fifty years ago according to Mr Miles in 1840.

⁴ Machine combing was introduced in 1794 at Tiverton, and did in one hour, with the employment of one overseer and eleven children, work that would have taken a good workman thirty hours; see *Report in Commons Journals*, xlix. 822.

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roused
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and of any required length¹." With all its advantages, however, it did not immediately become remunerative to the inventor, but its success was sufficient to arouse the antagonism of the hand wool-combers; especially as a machine on a somewhat different principle was invented in 1793² by William Toplis³ of Mansfield. As nearly fifty thousand men were employed in this trade in different places⁴, the excitement became considerable in many parts of the kingdom, and when a Bill was brought into the House of Commons for suppressing the machine, upwards of forty petitions were presented in its favour. But the eighteenth century legislators favoured a policy of non-interference. The Bill was thrown out, and the only relief which was given to the wool-combers was that of relaxing 5 Elizabeth c. 4 in their favour, and allowing them to apply themselves to any trade in any part of the kingdom⁵ without new apprenticeship. One reason, which undoubtedly weighed with the Commons, was the allegation that the wool-combers were wastrels, who would not work more than half their time. Greater security against frauds by the workmen⁶, and an increased prospect of

¹ Burnley, *Wool and Wool-combing*, 115, quoting Cartwright, 129.

² There were similar inventions by Popple, 1792 (Bischoff, i. 816), and by Wright and Hawksley. Burnley, *op. cit.* 186.

³ He had a power mill for spinning wool at work in 1788, and advertised for woolcombers at 3s. and 3s. 6d. a day to prepare material. *Annals of Agriculture*, x. 281.

⁴ A considerable amount of organisation existed among the wool-combers before these events gave it fresh importance. They had Clubs—the nature of which was thus explained. It is a Contribution levied upon every Woolcomber (who is willing to be Member of any Club) according to the Exigencies of their affairs. "The one End of it is to enable the Woolcomber to travel from Place to Place to seek for employment, when Work is scarce where he resides; and the other End is to have Relief when he is sick, wherever he may be; and if he should die to be buried by the Club; and it is necessary for him, to enable himself to be relieved by these Clubs, to have a Certificate from the Club to which he belongs, that he has behaved well, in and to the Woolcombing Trade, and that he is an honest Man: but if he defrauds any body, he loses his claim to that Certificate, and to the Advantages belonging to it." *Commons Journals*, XLIX. 324.

⁵ Bischoff, i. 816. As a matter of fact the machine only managed to compete in certain classes of work; the real contest between hand and machine combing was delayed till some time after the great strike in 1825.

⁶ Mr Edward Sheppard said that "in some Instances but not generally the Clothier gladly gives up the Trouble of Superintendence and the Expences of erecting Buildings when he can get the Work done well otherwise; the principal Motive of those Clothiers who have weaving at Home is to guard themselves from these Embezzlements, but he believes they have offered a Reward to those who

being able to rely on getting the work done in a given time, ^{A.D. 1776} were afforded by the new method, and it was welcomed by ^{—1850.} the employers¹.

253. The transition, from the old-fashioned spinning by hand in cottages to the power spinning in factories, is much more difficult to trace in the woollen than in the cotton manufacture. In the cotton trade Arkwright's system of roller spinning by power, followed hard on Hargreave's introduction of the spinning-jenny which went by hand, but the use of the wheel was maintained generally for the woollen trade², long after the practical success of the jennies had been demonstrated in the cotton trade. The subsequent mechanical progress was also more gradual, as the jenny when adapted to the spinning of woollen yarn continued to hold its own throughout the eighteenth century. The invention was taken up, especially in the Yorkshire district, by the domestic weavers³. It seems to have been a regular thing for weavers to have one or two jennies in their cottages, and to have employed their families or hired help to do the work⁴. The Yorkshiremen seem to have been more ready than the West of England clothiers to adopt such improvements⁵, as they were in regard to the

Hand-jennies for wool came into use

at the centres of domestic weaving.

will inform against Embezzlement. * * That there is one Brand of Morals which he conceives would be materially benefited by the Employment of Weavers under the Eye of the Master, namely Honesty; and he speaks from Experience, that those Parishes most remote from the Inspection and Superintendence of a Head are the most vicious and that Embezzlements and all the Evils of Night Work and Immorality connected with it prevail in such Places to an enormous Extent." See *Reports, Misc.* 1802-3 (*Report from Committee on Woollen Clothiers' Petition*), v. 257. Also for unfair advantages taken by workmen when prepaid, *Considerations on Taxes as they affect Price of Labour* (1765), p. 17. ¹ Bischoff, i. 816.

² The new inventions appear to have been very slowly diffused in the old centres of manufacture. Before 1789 the mule had been generally introduced in Lancashire, and the hand jennies in Yorkshire, but pains were still being directed to improve spinning as carried on by the most primitive process in Norfolk. The Society of Arts was interested in the experiments in fine spinning of wool made by Miss Ann Ives, and awarded her a silver medal for her success. "A sample of the fine Spinning, together with a Spindle and Whirl sent by Miss Ives, and a piece of a Shawl from Mr Harvey of Norwich are reserved in the Society's Repository." *Transactions of the Society of Arts*, vii. 150.

³ The jenny appears to have come in about 1785, just when it was being ousted from the cotton trade by the mule. *Report*, 1806, iii. printed pag. 80 (Coope), also 78 (Cookson).

⁴ W. Child, a journeyman, had two looms and a spinning-jenny in his own house. *Reports*, 1806, iii. printed pag. 103.

⁵ This was specially noticeable in regard to spinning-jennies and scribbling and carding machines, and gave Yorkshiremen an advantage over Wiltshire. Anstie, *Observations*, 17. They held out longer against the shearing frame, which was

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flying shuttle; but we have incidental notices of jennies in various parts of the country. In 1791 spinning-jennies were in use at Barnstaple and Ottery S. Mary; they had caused some uneasiness among the spinners, but had had no sensible effect on the trade¹. At Kendal there was machine spinning at the same date; at first it seemed to hurt the hand spinning, but the complaints on this head did not continue². The true character of the competition was becoming apparent however; for it was observed, at Pucklechurch, that the machines were ousting the inferior spinners, and that there was a demand for finer threads, so that the spinners, who were paid by the pound, were obliged to do more work for the same money³. In Cornwall, in 1795⁴, the competition of jennies was clearly felt; and in other cases, the improved rates for weaving rendered the women and children independent, and unwilling to "rival a woollen jenny." There were riots at Bury in Suffolk in 1816⁵, which seem to have been partly directed against these implements, and this probably means that they were of comparatively recent introduction in the Eastern Counties at that date⁶.

In the last decade of the eighteenth century we have a competition between two methods of spinning—by the wheel, and by the domestic machines known as jennies. The jennies would have ousted the wheels under any circumstances sooner or later, but there were other causes at work which accelerated the change. Chief among these was the scarcity of wool, with a consequent diminution of employment and such low rates of pay that hand spinning ceased to be a remunerative occupation. The change became the subject of not part of a domestic weaver's equipment, but a machine which competed with wage-earning workmen. See below, p. 662.

and spinning with the wheel ceased to be remunerative,

¹ *Annals of Agriculture*, xv. 494.

² *Ib.* 497.

³ *Ib.* 585.

⁴ "The earnings by spinning have for the last year been much curtailed, owing to the woolstaplers using spinning engines near their place of residence, in preference to sending their wool into the country to be spun by hand." *Annals of Agriculture*, xxvii. 19.

⁵ *Annual Register*, 1816, p. 70.

⁶ T. writing in 1779 notices that distaff spinning was still maintained in Norfolk. *Letters on the Utility and Policy of employing Machines*, p. 14. It is said that spinning—presumably with a wheel—was introduced by an Italian—Anthony Bonvis—about 1506, and that the making of Devonshire kerseys began about the same time (C. Owen, *Danger of the Church and Kingdom from Foreigners*, 48). The wheel had come into general use in England, but had not apparently penetrated into the area where the textile arts had been longest established. On the modes of spinning in different localities in 1596, *S. P. D. El. Ad.* xxxiii. 71.

complaint as early as 1784, when the price was unusually high for a time. Governor Pownall urged in 1788 that wages for spinning must be raised, so that the spinners might have enough to live on, or that machines must be introduced and the manufacture 'broken up.' He calculated that a spinner walked thirty-three miles, stepping back and forwards to the wheel, in order to earn 2s. 8d.¹ The lack of employment, with starvation wages for spinning, would of course be most noticeable in districts from which the trade was migrating, as for example in the Eastern Counties; the rates had fallen to 4d. a day as compared with 7d. or 8d. forty years before². To whatever cause these starvation payments for spinning in the old centres of the manufacture may have been due, the effects were very serious. Spinning was ceasing³ to be remunerative, even as a by-occupation. In 1795, when Davies was pleading the case of the rural labourers, he insisted on the importance to domestic economy of the possibility of obtaining an income from this source. But the opportunities of getting work of this sort were being curtailed, at all events in the old centres of manufacture; the fine spinning, which was so much in demand, was badly paid, while the inferior hands were left idle altogether. During the wars, the interruption of the wool supply from Germany and Spain⁴, and the closing of the ordinary channels for exporting cloth, caused violent fluctuations; and these changes, together with the migration of industry to the West Riding, involved thousands of families in the rural districts of Southern England in great want.

The course of this revolution is somewhat obscured by the success of the measures which were intended to relieve this distress. It had been recognised from Tudor times onward, that it was necessary for the government to take special action in times when trade was bad; the difficulties under

¹ *Annals of Agriculture*, x. 546.

² *Ib.* xv. 261.

³ In 1793 Mr Maxwell notes in regard to Huntingdonshire that "women and children may have constant employment in spinning yarn, which is put out by the generality of the country shopkeepers; though at present it is but a very indifferent means of employment, and they always prefer out of door's work when the season comes on." *Annals of Agriculture*, xxi. 170.

⁴ *Reports, Misc.* 1802-3, v. 266.

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Henry VIII and James I had arisen in connection with weaving, and the remedy adopted had been that of putting pressure on the capitalists to give employment. But this principle could not be applied in the wool famine at the close of the eighteenth century. The failure of spinning was a more widely diffused and serious evil than the distress among the weavers had been. The art had been very successfully introduced into most parts of the country, and offered a by-occupation for women and children, which was an essential part of the domestic economy. Spinning had been the mainstay of many households, and when it declined, numbers of families, which had hitherto been independent, were unable to support themselves without help from the rates¹. The Berkshire justices, whose example in dealing with the difficulty was widely followed, did not see their way to set higher rates for agricultural labour or artisan employments, but tried to grant allowances in lieu of the receipts from spinning, and thus supplemented the wages of the labourers. This expedient might have answered if the depression had been merely temporary; but it could not stay the course of progress which was making itself felt. Indeed, the allowance system probably accelerated the changes. By relieving distress and preventing agitation it smoothed the way for the introduction of jennies and power spinning. The idler part of the women were quite content to receive parochial relief as a regular thing, and even destroyed their wheels².

Hand-jennies did the work well, and they were not very costly, as they did not involve the use of water or steam power; employers could have the spinning done under supervision on their own premises, and the new implements steadily superseded the immemorial methods of work in cottages. This was the most important step, so far as its social effects were concerned, in the introduction of machinery in the cloth manufacture. So long as the spindle, or the wheel, was in vogue, spinning was practised as a by-occupation

¹ The occasional dependence of spinners on aid from the rates had been noticed in 1766 at Chippenham and Calne, Arthur Young (*Annals*, viii. 66). He also remarks that spinning was regarded as a manufacture which brought "the burthen of enormous poor charges." *Ib.* v. 221, also 420, and see above, p. 638.

² *Annals of Agriculture*, xxv. 635.

by women who had many other duties to do. But the jenny with its twenty spindles was a more elaborate machine, and spinning came to be a definite trade on its own account. It ceased to be carried on in ordinary cottages, by one member of the family or another, and became the regular employment of a particular class of workers. Though the regular spinners might earn more at the jenny than they did before, there must have been an immense reduction in the number of those who had earned a little with their wheels.

The domestic jenny was not however destined to last. Mr Benjamin Gott of Leeds appears to have been the first man in that district to introduce spinning by power¹, and factories soon encroached upon the operations of the spinning-jennies. The Yorkshire rates for spinning had been high², and as the machinery was gradually improved, it must have effected an enormous saving. In 1828³, power-spinning was introduced into the West of England district, and, as it was calculated, effected a saving of 750 per cent. on the cost of spinning by wheel. The introduction, first of jennies and then of power-spinning, was by far the most important change, so far as its social effects are concerned, in the whole revolution; and when we consider its magnitude, it must be a matter of surprise that the new departure attracted so little attention at the time.

254. The introduction of the flying shuttle⁴ appears to have had a remarkable result in the improved position of those woollen weavers who continued to get employment at the trade. They were paid by the piece, and the price of cloth was rising, owing to the increasing cost of wool; but the rate of payment to weavers did not diminish. Those who

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The flying
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¹ Bischoff, *Comprehensive History of the Woollen and Worsted Manufacture*, x. 815, but Hirst seems to have held that he was entitled to this distinction, see below, p. 661, n. 4. Messrs Toplis had erected a spinning mill for wool at Cuckney, seven miles from Mansfield in Nottinghamshire, as early as 1788. *Annals of Agriculture*, x. 281.

² The developing trade of the West Riding found employment for all available hands in 1791; Halifax masters had to pay spinners at the rate of 1s. 8d. or 1s. 4d. (*Annals*, xvi. 423). These high rates were partly due to the concurrent demand for labour for cotton-spinning. *Account of Society for Promotion of Industry in Lindsey* (1789), Brit. Mus. 108. i. 56, p. 54.

³ Miles' Report in *Reports from Assistant Hand-Loom Weavers' Commissioners*, 1840, xxiv. p. 890.

⁴ See above, p. 502.

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*The obli-
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were good workmen, and chose to work hard, could make very large earnings indeed. The price of cloth in 1803 was said to have risen 30 %, while weavers' wages had increased 100 %; there is ample evidence that the weavers looked back on the period of the war as one of exceptional prosperity¹. This gain took place, however, at the expense of the weavers who were thrown out of employment altogether; owing to the scarcity of material it was inevitable that the trade should contract rather than expand. It could not maintain all the labour that had been previously engaged in it. It cannot be a matter of surprise that, despite the high payments made to the employed weavers, there was much discontent among the class, and this found expression especially in the West of England district, where capitalism was in vogue. The trade was developing in the Yorkshire district, and the Gloucestershire and Wiltshire weavers had difficulty in holding their own.

Like all the other workmen's agitations of the time, the demand of the woollen weavers took the form of insisting that the old laws regulating the cloth trade should be carried out. These were very numerous; and in so far as they laid down definite rules for the size and weight of cloth, they were certainly out of date; there was no doubt that clothiers were liable to punishment for infringing them, and in 1803 Parliament passed a temporary measure for preventing prosecution under these Acts, until there should be time to consider the whole subject. A Select Committee of the House of Commons reported, in 1806, on the question of the regulation of the clothing trade. The most pressing difficulties arose in connection with the Elizabethan Statute of Artificers. This had fixed on seven years as the period of apprenticeship, and since weaving could be learned in two or three years, many of the best workmen had failed to serve a regular apprenticeship². There was little cause for surprise

¹ *Reports*, 1840, xxiii. 417.

² This was the case even in Yorkshire, where apprenticeship had a firmer hold than in the West of England. Mr John Lees, Merchant and Woollen Manufacturer of Halifax, stated in his evidence before the Committee on the Yorkshire Woollen Petition in 1803: "Not one in Ten of the Workmen employed in the woollen manufactory has served a regular Apprenticeship; many have not been apprenticed at all, and the others have been apprenticed for Three, Four, or Five Years according to their Ages. Apprenticeships for Seven Years are quite

that, when employment was scarce, the fully trained weavers should endeavour to take a stand upon their legal rights, and insist that only duly qualified men should be set to work. The clothiers, on the other hand, would have been unwilling to dismiss good workmen in order to take on men, who had served an apprenticeship, but who were not better workmen than the others. The complaints of the weavers received very full consideration from Parliament, but it was not possible in the then state of public opinion to comply with their demands¹. The House of Commons decided to set aside the necessity of apprenticeship, first tentatively², and then permanently, in the clothing trades³. There were somewhat similar difficulties in other trades, from the manner in which the apprenticeship system was carried out⁴; and Parliament was petitioned to render the old system more effectual; but when the question had been once raised, it became clear that the House of Commons was in favour of settling it in another fashion. Still, no immediate action was taken; a Select Committee was appointed to take evidence, with the result that the chairman's view of the case was entirely altered; he had been in favour of sweeping away the legal enforcement of the apprenticeship system, but he was convinced by what he heard, that this would be a serious wrong in all sorts of trade, that it would tend to a deterioration in the quality of goods,

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unnecessary; a Youth from Sixteen to Eighteen Years of Age would learn the Art of Weaving in Twelve Months. That he has some persons now in his Employment that have been actually engaged for Seven Years, but does not by any means consider them as more competent workmen than others who have not been apprenticed for so long a Time; the Consequence of being obliged to employ none but legally apprenticed Weavers must reduce the Business to One-tenth of its present Extent; That he knows of no legal Weavers now out of Employment, in consequence of others who have not been legally apprenticed being employed; on the contrary Weavers are wanted: That he apprehends Nine tenths of the present workmen would be thrown out of employ if the Statute of the Fifth of Elizabeth, Chapter Four, should be enforced." *Reports*, 1802-3, v. 305.

¹ The weavers of Yorkshire, who regarded apprenticeship as the bulwark of the domestic system and desired to maintain it against the encroachments of the factory system, had not really adhered to the Statute of Elizabeth, as the Trustees of the Cloth Halls at Leeds had allowed the custom of five years' apprenticeship to spring up, in place of the seven years demanded by law. *Reports (Woollen Manufacture)*, 1806, xx. 581, printed pagination 13.

² 43 Geo. III. c. 136 and continuing Acts.

³ 49 Geo. III. c. 109.

⁴ See above on the calico printers, p. 641, also *Reports (Committee on Apprentices Laws)*, 1812-13, rv. 991.

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and to a lowering of the status of the workmen. Petitions in support of this opinion poured in from all parts of the country, and all sorts of trades¹. But a mere mass of evidence had no chance of producing conviction in minds which were thoroughly imbued with a belief in the all-sufficiency of economic principles. Mr Sergeant Onslow urged the repeal of the Act, and remarked that "the reign of Elizabeth, though glorious, was not one in which sound principles of commerce were known²." Mr Phillips, the member for Ilchester, was still more decided. "The true principles of commerce," he said, "appeared at that time to be misunderstood, and the Act in question proved the truth of this assertion. The persons most competent to form regulations with respect to trade were the master manufacturers, whose interest it was to have goods of the best fabric, and no legislative enactment could ever effect so much in producing that result as the merely leaving things to their own courses and operation³."

On this subject the politicians were only giving effect to the conclusions of economists of repute. Chalmers had been brief, but to the point. "This law, as far as it requires apprenticeships, ought to be repealed, because its tendency is to abridge the liberty of the subject, and to prevent competition among workmen⁴." Adam Smith, with his experience of the laxer Scottish usage, had condemned the English system⁵, and it may be doubted if any of his followers, at the beginning of this century, would have dissented from his conclusion on this point. Once again *laissez faire*, pure and simple, triumphed through the influence of, and with the approval of economists, and the apprenticeship system was not modified, but swept away in 1814⁶. It thus came about that the whole Elizabethan labour code, both as regards wages and apprentices, was formally abolished. We may notice, however, that whereas the wages clauses had been regarded as a mere dead letter, the House of Commons believed that apprenticeship was in most cases an exceedingly good thing, and that it was already so

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was aban-
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¹ It appears that there were 300,000 signatures against, and 2000 in favour of repeal. *Parl. Debates*, xxvii. 574.

² *Parl. Debates*, xxvii. 564, see also 581.

⁴ Chalmers, *Estimate*, p. 36.

⁶ 54 Geo. III. c. 96.

³ *Ib.* 572.

⁵ *Wealth of Nations*, p. 50.

firmly established that there was no need to strengthen it by legislative sanctions¹. A.D. 1776
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255. Parliament was also called upon to decide on the policy which should be pursued in regard to the use of machinery for dressing and finishing the cloth. A statute of Edward VI had prohibited the use of gig-mills, and about 1802, when a machine which bore the same name was introduced into Wiltshire, it gave rise to a good deal of rioting; though, as it appears, similar machinery had been in use for some time in Gloucestershire². It was not quite clear whether the new machines were identical with those which had been prohibited in Tudor times³; but the attention of the parliamentary Committee on the subject was chiefly directed to the quality of the work done. When the members were once convinced that machine work did not injure the fabric and wrought as well or better than the hand, they were entirely disinclined to support the workmen in their demand for the enforcement of the old prohibition of gig-mills, or to recommend that action should be taken. The use of
gig-mills,
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illegal, was
permitted,

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work well;

This Committee of 1806 felt bound to allude at some length to the troubles which had arisen in Yorkshire, in connection with the introduction of shearing frames. These were undoubtedly a new invention, and as such lay outside the precise sphere of the Committee's enquiries. Mr Gott had introduced them at Leeds⁴, and the employers, who adopted them, could dispense with some of their men. In this, as in other departments of the woollen trade, there could be no hope that manufacture would expand, so that more but the
newly
invented
shearing
frames

¹ *Parl. Debates*, xxvii. 564.

² *Reports (Woollen Clothiers' Petition)*, 1802-3, v. 254: 1806, iii. p. 8.

³ *Reports (Woollen Clothiers' Petition)*, 1802-3, v. 251. The subject is discussed by J. Anstie, in his very interesting *Observations on the necessity of introducing improved machinery into the woollen manufacture in the counties of Wilts, Gloucester, and Somerset* (1803), 68. See above, p. 297 n. 4. The London Clothworkers complained of the use of gig-mills in the time of Charles I. S. P. D. C. I. cclvii. 1. 4.

⁴ Bischoff, *op. cit.* i. 815. Mr William Hirst of Leeds claimed that the cloth manufactured in Yorkshire before 1813 would not bear gig-finishing, as the West of England cloth did, and that he was the first to manufacture a cloth on which the frames could be used with advantage (Hirst, *History of the Woollen Trade during the last Sixty Years* (1844), 17. He also claims that he was the first to introduce spinning mules into the woollen manufacture, p. 89. The public recognition which he received shows that he rendered considerable services to the Yorkshire trade.

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labour would be eventually required. That had happened in the cotton trade, where the conditions of the supply of materials were quite different, and Sir Robert Peel argued, from his experience as a cotton manufacturer, that the same thing would occur in the woollen trade as well¹. But he was entirely mistaken; the shearmen who had combined in a secret society² were perfectly right in believing that they were being ousted from employment by the competition of machines. They had no hope of continuing to live by the trade in which they had been brought up. Under these circumstances, a series of attacks on the new machines was ably planned and vigorously carried out. The shearmen³ had a very complete secret organisation, the working of which has been dramatically portrayed by Mrs G. L. Banks⁴. One murder occurred in connection with this outbreak, near Huddersfield⁵, and there was an immense destruction of property.

This was the only branch of the Yorkshire clothing trades in which the attempted introduction of machinery was signalised by outbursts of mob violence⁶. The rioters were closely associated with the Luddites, who had been goaded into violent outbreaks by the distress they endured as framework knitters in Nottinghamshire. The circumstances of the two trades were curiously distinct; the shearmen were agitating against the introduction of a new machine, but this was not the case with the Luddites, as there

¹ *Reports*, 1806, III. 1083, printed pagination 441.

² They had a powerful combination in Leeds, before 1806, and called out all the shearmen in Mr Gott's employ, because he took two apprentices whose age was not in accordance with their rules. *Reports*, 1806, III. 959, printed pagination 367.

³ *Report from the Committee on the State of the Woollen Manufacture*, 1806, III. printed pagination 15.

⁴ *Bond Slaves*.

⁵ *Report from the Committee of Secrecy (Disturbed Northern Counties)*, 1812, II. 809.

⁶ The rioters had been successful in 1780 in preventing the use of frames. (See above, p. 625, n. 3.) Hirst, writing in 1844, says: "About sixty years ago an attempt was made to introduce machinery for finishing the cloth, both in the West of England and in Yorkshire. The workmen raised the most violent opposition to it, and after a severe struggle the masters in Yorkshire were obliged to abandon the attempt, while in the West of England they succeeded. They thus had a double advantage, for all their goods were manufactured under their own care, while those in Yorkshire were manufactured in various parts and brought to sell in the Cloth Hall, in Leeds, in the balk state. They were then sent out to be finished, for there were few at that time who manufactured and finished cloth." Hirst, p. 10.

had been no considerable improvement in the stocking frame. A.D. 1776
It continued to be worked by human power, and the trade was —1850.

for the most part carried on by men who hired machines and worked them in their cottages. Still it was true that the stockingers and the shearmen were alike suffering from capitalist oppression—though in different forms—that the implements in their respective trades were known as frames, and that the destruction of these frames offered the most obvious means of revenging themselves on their employers¹.

Framework knitting was carried on both in the hosiery and lace trades, and the circumstances of the industry had hardly altered during sixty years preceding 1812². New machines were being devised in the lace trade, but had hardly been introduced, and did not affect the stockingers. Up till the middle of the eighteenth century the Framework Knitters' Company had been successful in exercising a certain control over the trade, in Godalming, Tewkesbury and Nottingham, as well as in London; but there was good reason for saying that they acted as a mere monopoly³, and passed regulations which restricted the trade, while they did little to improve it in any way. After a long enquiry the House of Commons resolved to set their by-laws altogether aside in 1753⁴. Shortly after this time, however, there were serious complaints from the workmen in London, Nottingham, Leicester, Tewkesbury, and other places, of the hardships to which they were subjected⁵, especially by the fact that they

When the regulation of frame-work knitting by the Company ceased,

complaints of hardship arose from the hands,

¹ The evidence appears to show that the Luddites were engaged in executing popular vengeance on wealthy, or hard, owners of frames, and it is difficult to see that their action was in any way connected with the great mechanical progress of the time. On the other hand, the riots in Yorkshire were directed against a newly introduced machine. The mob in the West Riding was carefully discriminating, and concentrated its attention almost exclusively on those parts of the buildings where shearing frames and gig-mills were in operation (*Annual Register*, 1812, 54; *Chronicle*, pp. 89, 51, 114). As the work done by the machines was cheaper and better, the rioters were unfortunate in trying to secure a position which Parliament had treated as untenable.

² Strutt's apparatus had been patented in 1758 (Felkin, *History of Machine-wrought Hosiery*, 98); and Heathcote applied power to the frames in 1816, *ib.* 248.

³ In 1720, they had attempted to raise a capital of £2,000,000 and carry on the trade as a joint-stock company. *Commons Journals*, xxvi. 785. ⁴ *ib.* 788.

⁵ In 1779 John Long, a frame-work knitter, gave evidence to the effect that whereas workmen used to be able to earn 2s. 1d. per day now they could only earn 1s. 6d. Out of that they had to pay 8d. for frame-rent and about 8d. more for

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were responsible to the masters for paying frame-rent, whether they had employment given them or not¹. The proposals to regulate wages were negatived, however, and things dragged on till 1811 and 1812, when the interruption of trade caused a general reduction in the lace-making at Nottingham, and the oppressiveness of the charge for frame-rents was especially felt; but the disturbance appears to have been aggravated by the action of a new class of masters, who had very little knowledge of the trade, and regarded frames as a profitable investment. At the same time, large quantities of goods were produced of such an inferior quality as to damage the reputation of the trade very considerably². The Committee of the House of Commons were inclined to recommend the entire prohibition of certain classes of manufactures, and to insist on the publication of a schedule of payments; but after hearing additional evidence, they realised more clearly the very complicated nature of this industry, and the impracticability of carrying out the suggestions which had been incorporated in a Bill³. A kind of cheap stocking, known

winding, seaming, needles and candles. They had to work from 6 to 10 o'clock to earn 1s. 7d. When work was given out it took some time to prepare the materials for the loom. Masters would not employ a man who has a frame of his own, but force the persons they employ to hire a frame from their employer. That several hosiers in Tewkesbury compel the men to buy the materials and make the stockings, which they afterwards purchase of them, and sometimes throw them upon the hands of the workmen. The men are compelled to buy the cotton wool from the masters, and sell it to the spinners, and then purchase the thread from the spinners. *Commons Journals*, xxxvii. 870.

¹ A witness (Marsh) said, "That he knows several of the Masters of London who employ journeymen and let out more frames to them than they have Employment for, for the Sake of the Frame Rents." *Commons Journals*, xxxvi. 742. Another witness deposed in 1779, "That he has been obliged to pay Frame Rent though his Master had not given him work, and in case of illness he is obliged to pay Frame Rent." *Commons Journals*, xxxvii. 870.

² "It appears by the evidence given before your Committee that all the Witnesses attribute the decay of the trade more to the making of fraudulent and bad articles than to the war or to any other cause. * * * It cannot be necessary for your Committee to state that the making of bad articles and deceitful work in any manufacture tends to bring the Trade into disgrace and ultimately to the ruin of the Trade; of this the Lace Trade at Nottingham, which has been for many years a most lucrative and flourishing trade, is a striking instance. And it appears to your Committee that in this particular branch most gross frauds are constantly practised which must destroy it, unless some check can be put to these practices by the Legislature." *Report of the Committee on the Framework Knitters' Petitions*, 1812, II. 206.

³ "Your Committee have been confirmed in the Opinion expressed in their

as "cut-up work",¹ was beginning to come into the market at this time²; and seven years later the disastrous effect on the regular manufacturers of flooding the market with inferior qualities was fully apparent in the neighbouring districts of Leicestershire³, which seems to have enjoyed considerable prosperity even at the time of the Luddite riots⁴. Parliament had no success either in putting down the low-class work, or regulating the abuse of frame-rents, or dealing with the owners of independent frames⁵. Bad as the state of affairs had been in 1811, at the time when Byron made his celebrated speech in the House of Lords⁶,

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former Report, that the Workmen suffer considerable inconveniences and are liable to deductions in various ways, in the payment for their work; but they have found it very difficult to suggest measures that can meet or obviate all those abuses, being of opinion that legislative enactments alone will not have that effect, and that trade of every kind should be left as much as possible to find its own level." They propose the "removal from the Bill of certain Clauses relative to the Hosiery business and also to recommend the enactment of certain Regulations for the Lace Trade which they confidently hope will tend to remove much dissatisfaction between Masters and Workmen in that Trade, and to encourage the more general use of that article by ensuring its more serviceable and perfect quality."*** They consider it (the Bill) in some degree as a Bill of experiment and therefore recommend it to be passed only for a limited time." *Second Report of the Committee upon the Petitions of the Framework Knitters*, 1812, II. 268.

¹ The cut-work was made in one large piece and afterwards cut out to the shape of the leg, the seams by which they are joined being often very ill done. This was much cheaper and depressed the regular woven trade. "The hosiers who do not make the cut-up work are continually lowering the wages to meet them in the market. . . . It has caused men's ribbed hose, which were in 1814 and 1815 at 12s. a dozen when they were wrought with a selvage...to be reduced so that they are now brought into the market at 5s. a dozen making." *Reports*, 1819, v. 416. Cut-work "has a tendency to increase the quantity of stockings in the market and by that means it always keeps the market overstocked with goods, thereby obliging the manufacturers to dismiss a large quantity of hands" (ib. 417). The men had to work extra hours and so there was an increased quantity.

² *Report of the Committee upon the Petitions of the Framework Knitters*, 1812, II. 207.

³ "The direct effect of the cut-up work is to throw an additional quantity of goods into an already overstocked market which effects a reduction of price in all the articles, not of the cut-up articles only, but also of the better fabric. In the home market it has had the effect of inducing a substitute to be adopted in many families who have been in the habit of wearing our worsted articles." The foreigners have either purchased through the medium of their agents, or in many cases have come personally into the market to sell out their own articles." *Reports*, 1819, v. 430, printed pagination 80.

⁴ *Report of the Select Committee on the Framework Knitters' Petition* (1819), v. 407.

⁵ *Report of the Commission appointed to inquire into the Condition of the Frame-Work Knitters*, in *Reports*, 1845, xv. 68.

⁶ *Parl. Debates*, xxi. 966.

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it had become much worse in 1845, when Mr Muggeridge reported on the state of the trade¹. All the old evils existed, and new causes of complaint are mentioned as well. There was much loss of time to the workers, who did not receive yarn when they gave back the finished goods at the end of the week, but had to wait till mid-day on Monday². As the weavers wrought at home they were able to requisition the assistance of their wives and children, and the whole family were occupied for very long hours and at starvation wages, from which the frame-rents had always to be deducted. The business was easily learned, and owing to the conditions in which it was carried on, the supply of labour, male and female, was practically unlimited. In periods of occasional depression, even benevolent masters had believed they were doing the kindest thing in spreading the work among many families, so as to give all a little to do, on the principle that a little pay was better than none³. There was thus a stint⁴ on the employment of each hand, and the irregularity of their earnings was in itself a serious evil. Mr Muggeridge rightly regarded this practice of spreading work as the main cause of

¹ According to his figures wages had fallen 35 % between 1811 and 1842. *Reports, etc.*, 1845, xv. p. 51. In 1819 a special appeal to the charity of the nation was made on behalf of the framework knitters by Robert Hall, but the distress was constantly recurring, p. 107.

² *Reports, etc.*, 1845, xv. 117. The long-established custom of idling on Saturday to Monday to which the Factory Commissioners called attention in 1838 was not so entirely without excuse as they believed, but seems to have been originally due to this unsatisfactory trade usage. *Ib.* 1838, xx. 534. *Report, Factories Inquiry Commission.*

³ *Reports, etc.*, 1845, xv. 65.

⁴ "The practice of 'stinting' being resorted to in most periods of depression in the trade with the twofold object of keeping the machinery going, and deriving the full amount of profits from its use in the shape of frame-rents, the workman instead of being driven to seek other employment, as he must necessarily do if left wholly unemployed, is kept, sometimes for months together, on the borders of starvation with just enough of work to prevent him seeking a more extended field of occupation, and too little to maintain either himself or his family in any state approaching to comfort or respectability. * * * Time after time the operatives in particular qualities of goods have been stinted to two or three or four days' work in a week only, for weeks or months together; every obstacle thrown in the way to check their facilities of production, such as deferred or scanty supplies of the material for manufacture from the warehouse; complaints of the work when made and heavy abatements on one pretext or another deducted from the scanty pittance of wages earned * * * until at length the continued pressure on the market of goods so produced necessarily sold at any sacrifice by needy manufacturers has forced down prices to a level which has often, for a considerable

all the distress¹, and appears to favour the granting of allotments² as a means of affording valuable occupation in leisure time. But though this expedient was tried it could not serve to raise wages; the industrial 'reserve'³ was so large that the capitalist could force the stockingers to accept any terms, while the charge for frame-rents ran remorselessly on. The stockingers had endeavoured to contest these claims, and had raised a case under the Truck Acts, but it was given against them⁴; altogether the circumstances of the trade were such that capitalists had the opportunity of acting very oppressively towards the men. The evidence seems to show that under these circumstances the larger masters maintained an honourable course on the whole; but that the small capitalists, who had difficulty in carrying on business at all, were less scrupulous.

The story of the framework knitters is particularly instructive for those who desire to analyse the causes of the distress that was felt in the early part of this century. In this particular industry, where conditions were so utterly miserable, there can be no pretence that mechanical improvements contributed to the degradation of the workers; this was due to a combination of circumstances which may be best described as reckless competition. The institutions of the Middle Ages, and of the seventeenth century, had aimed at maintaining the quality of goods as a necessary condition of lasting industrial success; the old methods of achieving this result were no longer practicable; but the evils, against which they had been directed, became particularly rampant when manufacturers came to aim at mere cheapness, as the only thing to be considered in the successful conduct of business. So long as this was the case no improvement seemed possible; to raise wages in any way would increase

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period, almost annihilated particular branches of the trade." *Reports*, 1845, xv. 67, printed pagination 55.

¹ *Ib.* 142.

² *Ib.* 138. This practice proved favourable to hand-loom weavers at Bridport (*Ib. Reports from Assistant Commissioners on Hand-Loom Weavers*, 1840, xxiii. 288), but its success depended on the precise form of the scheme, and one of the methods tried at Frome did little good. (*Ib.* 800.) On the failure of allotments, where too large, as at Rotherfield in Sussex, or when managed by parish officers, not by private individuals, see *Reports* 1834, xxvii. 107.

³ F. Engels, *Conditions*, 84.

⁴ Felkin, *op. cit.* 455.

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—1850. the expense of production, and diminish the sale of the goods; while the low rates of wages were in themselves an obstacle to improved production; it seemed to be a vicious circle, from which there was no escape.

III. AGGRAVATIONS OF THE EVILS OF TRANSITION.

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256. All periods of rapid transition are likely to be times of difficulty, especially to the poorer classes of the community; under no circumstances could such sweeping changes, as were involved in the Industrial Revolution, have passed over the country without inflicting an immense amount of suffering. Some pains were taken to minimise the trouble, especially where it affected the women and children who practised spinning as a by-employment; and the strain of the times was partially alleviated by the expedient of parish allowances¹. With this exception, however, the circumstances of the day were such as to aggravate the inevitable evils of transition. These arose far less from the introduction of new machines, than from the fact that the labourer had come to be so entirely dependent on the state of trade, for obtaining employment, and for the terms on which he was remunerated. Fluctuations of business were fatal to his well-being in every industry, whether it had been affected by the introduction of new processes and appliances or not. The commercial development, which had been going on so rapidly, was not checked by the secession of the colonies, and during the half-century from 1775 to 1825 English trade increased enormously. (The Industrial Revolution had been occasioned by the commercial expansion of the earlier part of the eighteenth century, and it led in turn to an unprecedented extension of our trade². But the political complications with France and America, at the end of the eighteenth and the beginning of the nineteenth centuries, were incompatible

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¹ See above, pp. 688 and 656, also below, p. 718.

² The tonnage of the shipping belonging to Great Britain in 1780 was 619,000, and in 1790 it had increased to 1,355,000. The shipping of Great Britain and Ireland was 1,698,000 in 1800; 2,211,000 in 1810; 2,439,000 in 1820; 2,201,000 in 1830; 2,584,000 in 1840; 3,565,000 in 1850; and 4,559,000 in 1860. L. Levi, *op. cit.* pp. 50, 146, 246 and 412.

with steady growth. The progress which occurred was the outcome of a series of violent reactions; the alternations of periods of peace and war were continually affecting the conditions under which maritime intercourse could be carried on, and business of every kind was highly speculative. That large fortunes were made is true enough; but it is also true that, in such a state of affairs, all attempts to provide steady employment for the operatives, at regular wages, were doomed to failure, and the standard of life could not but be lowered. The minor fluctuations in the cloth trade, in the early part of the seventeenth century, had taxed the abilities of the administration, but the expansion and contraction, at the end of the eighteenth and beginning of the nineteenth century, were on a very much larger scale, and affected a far greater number of industries. It would be impossible to follow out these ramifications in detail; we can only attempt to indicate the general effects which the wars of this period had, in interrupting, or diverting English commerce, and inducing financial disaster.

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It does not appear that the immediate effects of the rupture with the United States in 1776, were very much felt by the commercial community, or the industrial population. The market for our manufactures there was closed; but there must have been an increased demand for the equipment of our armies. There was probably some difficulty about naval stores; but so long as supplies could be obtained from Canada, and from the Baltic, this can hardly have been serious. The mischief of the revolt only came home to Englishmen as the country was embroiled in incidental disputes with one after another of the European countries. The French were only too delighted to see the break-up of English power in America, and were ready to foment the quarrel. They were jealous of the magnificent maritime resources which had been revealed to the world, when the influence of Chatham was exerted on English policy; they feared that the French West Indies¹ would be swallowed up by the British monster, as Canada had been; and some of them anticipated that the rise of an independent state in the New

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¹ Lecky, *England in the Eighteenth Century*, iv. 39.

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World would exorcise the commercial jealousy of the European peoples¹. For a time the French Government was content with giving clandestine assistance to the colonists², but this attitude could not be maintained for long; and in 1778 King Louis openly espoused the American cause and concluded a treaty with the United States. When the mask was once thrown aside, it was impossible to explain away the unfriendly acts of which the French had been guilty, and Englishmen with heavy hearts³ drifted into a war which had become inevitable. The various branches of the House of Bourbon were so closely connected that this involved a quarrel with Spain⁴. The Dutch were eager to reestablish the regular commercial relations with the North American coast from which the Navigation Acts had excluded them, and naturally followed the course pursued by France. They supplied the colonists with arms and ammunition, and joined in the fray when war was declared in 1780. England found herself actively opposed by the most powerful maritime nations of the Continent, at the time when she was seeking to coerce her colonies. Nor was assistance to be hoped for from any of the Powers which were not actually in arms against Great Britain. Frederick of Prussia cherished a grudge against England, and though he gave no open countenance to the Americans, he discouraged the efforts of the English King to utilise his German connection in order to enlist soldiers for employment in dealing with the colonists. But the most serious blow came from Catharine of Russia, who was probably more inclined to sympathise with England than any of the other European monarchs. The English had been strictly scrupulous in respecting Russian commerce, but the Spaniards had been less careful; and Catharine, in self-defence, defined a doctrine of neutral trading which she was prepared to enforce. The rule, which she enunciated in 1780, differed from the traditional principles, which England maintained⁵.

¹ Turgot, *Memoire sur la maniere dont la France et l'Espagne devoient envisager les suites de la querelle entre la Grande Bretagne et ses Colonies*, in *Œuvres* (1809), viii. 461.

² Lecky, *op. cit.* 44.

³ *Parl. Hist.* xix. 920, 928.

⁴ The Spaniards were strongly anti-English and supplied the Americans with gunpowder. Lecky, *op. cit.* iv. 45.

⁵ "The doctrine of maritime law which England had steadily asserted was

She insisted that neutral vessels should be allowed to trade freely from port to port on the coasts of nations at war, and that all goods belonging to the subjects of belligerent Powers should be free in neutral ships. These principles made it impossible for a belligerent to cut off the commerce of an enemy, and they were favourable to the Americans, since their trade could go on unchecked. This doctrine was also advantageous to the smaller maritime Powers, which could claim a right to continue and develop a carrying trade, when England was hampered by hostilities. Sweden and Denmark immediately adopted the same policy as Russia, and Austria, Portugal and the Two Sicilies also joined the Armed Neutrality¹. These Powers refused to recognise any blockade which was not rendered effective, and thus the different questions, which

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that which Vattel laid down when he maintained that 'the effects belonging to an enemy found on board a neutral ship are seizable by the rights of war' (*Droits des Gens*, book iii. § 115). * * * The right of a belligerent to confiscate all goods belonging to an enemy found on neutral vessels had been fully recognised in the *Consolato del Mare*, which chiefly regulated the maritime law of the Middle Ages. It appears then to have been undisputed, and it is not too much to say that it had been asserted and acted on in more modern times by every considerable naval Power. An ordinance of Lewis XIV., indeed, in 1681, went much beyond the English doctrine, and asserted, in accordance with what is said to have been the earlier French practice, the right of a belligerent to confiscate any neutral vessel containing an enemy's goods; and this was the received French doctrine for the next sixty-three years, and the received Spanish doctrine for a considerably longer period. In 1744, however, a new French ordinance adopted the English rule that the goods, but the goods only, were liable to confiscation. Holland, in her practice and her professions, had hitherto agreed with England, and the right of a belligerent to confiscate an enemy's property in neutral ships was clearly laid down in the beginning of the eighteenth century by Bynkershoek, the chief Dutch authority on maritime law. Russia herself, during her late war with the Turks, had systematically confiscated Turkish property in neutral vessels (Malmesbury, *Diaries*, i. 306, 307). The importance, indeed, to any great naval power of stopping the commerce of its enemy, and preventing the influx of indispensable stores into its ports, was so manifest, that it is not surprising that it should have been insisted on; and it is equally natural that neutral Powers which had little or no prospect of obtaining any naval ascendancy, should have disliked it, and should have greatly coveted the opportunity which a war might give them of carrying on in their own ships the trade of the belligerents. The doctrine that free ships make free goods appears to have been first put forward in a Prussian memorial in 1753, at a time when Prussian merchantmen had begun, on some considerable scale, to carry on trade for the Powers which were then at war; but it never received any sanction from the great maritime Powers till France, with the object of injuring England, adopted it in 1778. The accession of Russia in 1780 at once gave it an almost general authority." Lecky, *op. cit.* iv. 156.

¹ Koch and Schoell, i. 477, 479.

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were to become so prominent in the great struggle with Napoleon, were definitely raised. Hence the indirect effect of the break with the colonies was to bring about a serious dislocation of trade, and to expose the English mercantile marine first to the attacks of American privateers, and subsequently to those of other countries. To adequately protect English vessels, against the cruisers of so many different nations, was practically impossible; it appears that the frightful increase of risk, attending all trading operations, was the principal evil of this period, rather than the mere interruption of any one branch of commerce. Some of the rates for insurance for ships appear to have increased from two guineas to £21 per cent.¹ This was the period in which the practice of marine insurance came to be regularly adopted by ship-owners; and commercial relations were strained in many directions. But after all, warfare on the high seas was a game in which England was well prepared to take a part, and she played it with much success. The American privateers did less damage than had been anticipated²; the tonnage of British-built shipping increased during the years of the war³, while in a couple of years the Americans lost something like 900 vessels; and the Atlantic coast was exposed to ruthless raids, such as those which destroyed Newhaven in Connecticut and Suffolk in Virginia⁴. Nor were the tables turned after the European Powers threw themselves into the struggle. "The combined fleets of France and Spain," as Washington wrote in 1780, "last year were greatly superior to those of the enemy. Nevertheless the enemy sustained no material damage, and at the close of the campaign gave a very important blow to our allies. This campaign the difference between the fleets will be inconsiderable.... What are we to expect will be the case if there should be another campaign? In all probability the advantage will be on the side of the English, and then what would become of America? We ought not to deceive ourselves. The

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¹ Leone Levi, *History*, 45.

² In 1818, "by sound seamanahip, by good fortune, and by the neglect of the enemy an important fleet of merchantmen from the East Indies, another from Lisbon, and a third from Jamaica all arrived in safety." Lecky, *op. cit.* iv. 94.

³ Chalmers, *Opinions on subjects arising from American Independence*, p. 99.

⁴ Lecky, *op. cit.* iv. 94, 116.

maritime resources of Great Britain are more substantial and real than those of France and Spain united¹." The attempt of the Dutch to carry on their trade, according to the newly defined rights of neutrals, involved them in ruinous losses. The surrender of the island of S. Eustatius was a very serious disaster, as many ships and valuable stores were seized by the English², and the Dutch East India Company received a shock from which it never recovered³. Anxious as the times were for the merchants, England was able to give as hard blows as she received, and her rivals were the principal sufferers.

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When England at length acknowledged the independence of the United States, and the treaty of Versailles with the other belligerents was signed in 1783, many valuable islands and places of trade were restored to Spain and to France. Spain obtained Minorca and the Philippines, as well as Florida; while England only received the Bahamas, and rights for the timber trade in Honduras. France was less fortunate, though her commercial stations in the East Indies were secured to her; she obtained the island of Tobago, which then yielded the best supplies of cotton, and she insisted on a more favourable interpretation of the disputed rights in the Newfoundland fisheries. England was at no pains to retain her recent acquisitions or enlarge her responsibilities, and apart altogether from the loss of her Colonies, the territorial readjustments were not in her favour; but her maritime superiority stood out more markedly than ever. The Dutch had suffered irreparable losses both in the East and West; the maritime resources of France had been strained to man the navy; and the development of shipping by the Americans had received a severe check⁴. England emerged

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¹ Sparks, *Writings of George Washington*, vii. 59. Washington continues with an interesting remark: "In modern wars the longest purse must chiefly determine the event. I fear that of the enemy will be found to be so. Though the government is deeply in debt and of course poor, the nation is rich, and their riches afford a fund, which will not be easily exhausted. Besides their system of public credit is such that it is capable of greater exertions than that of any other nation."

² Lecky, *op. cit.* iv. 166.

³ Beer, *Allgemeine Geschichte des Welthandels*, ii. 225.

⁴ During the years of the war there was an extraordinary revival of ship-building in English yards; the Americans did not fare so well as they had done, when they were deprived of the advantage afforded to their commerce by the British Navigation Acts. Macpherson, iv. 10 n.

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from the struggle without a rival in ability to carry on the commerce of the world, during the very decade when the great development of the hardware and of the cotton trades was taking place. As a consequence England succeeded in retaining her hold on the trade of the United States, and neither France nor Holland was able to obtain a substantial share of this commerce. Pitt failed in his attempt to maintain the full freedom of intercourse with the new republic, which he would have desired¹; but the trade of the United States with England expanded very rapidly, especially after the development of cotton growing in Carolina. It was found that Dean Tucker's forecast was amply justified², and that the political severance from the United States did little to injure our commercial dealings with the people. Economists began to realise how firmly the material prosperity of England was founded, when this blow to her prestige caused so little injury. Still more striking testimony to the economic strength of England was afforded when the treaty of 1786 opened up freer intercourse with France, and English goods commanded a ready sale in continental markets.

and to ruin
her rivals.

So strongly was English maritime power established at this time, that her rivals had little means of attacking her; and the war of 1793, which followed the outbreak of the Revolution in France, was much less injurious to English commerce than the War of Independence had been. England set herself, with considerable success, to ruin the trade and shipping of France; and her high-handed measures with this object were resented by the United States, as well as by Norway and Sweden, who sought to preserve their rights as neutrals. But English relations with the neutral powers, though strained, were not broken, and her commerce continued to flourish. In 1795 France succeeded in mastering Holland, and England engaged in the attempt to destroy both her

¹ Trade was not permitted between the United States and the West India Islands. This was a serious grievance to the planters (*Commons Journals*, xxxix. 840), but the restriction was maintained in the hope of preventing American competition in the carrying trade. Holroyd, *Observations on the Commerce of the American States*, 79.

² J. Tucker, *True Interest of Great Britain* (1776), p. 51. Also *A Series of Answers*, p. 30, Brit. Mus. 522. g. 5 (5).

ancient rivals at once. They were unable, even when united, ^{A.D. 1776} to do her serious damage¹; the distant trades with India, ^{—1850.} Africa and Brazil, and with the United States, remained ^{During the} open, though they were of course attended with unusual risk. ^{Revolution} The chief privation was due to the fact that none of these ^{ary War} distant trades served, as European trade might have done, to replenish the supplies of food in the years of dearth; for the Armed Neutrality cut us off from the areas of wheat on the Baltic². The serious risk of not being self-sufficing in our food supply was clearly felt, though there were possibilities of importation even then, as the United States exported food stuffs³ to Spain and Portugal. The most obvious result of ^{a stimulus} the war was to give an unhealthy stimulus to English tillage, ^{was given} and to force on rapid changes in the rural districts, but it must ^{to English} have caused much uncertainty in various industries, and con- ^{tillage,} tributed to the distress of which we hear among operatives.

With the Peace of Amiens in 1802, hopes were entertained of still greater developments, as the trade of the whole world was suddenly thrown open to England. The Dutch indeed were replaced in the possession of the colonies they had lost, but their marine had suffered severely, and the triumph of England over her old rival was at last complete. Great ^{and after} Britain had attained to the same sort of maritime supremacy ^{the Peace} which Holland had secured in 1648, while the rapid develop- ^{of Amiens,} ment of the textile and iron manufactures gave her prosperity ^{to manu-} a prospective stability which Holland had never enjoyed in ^{factures} the same degree⁴. English traders and manufacturers were,

¹ Reinhard, *Present state of the Commerce of Great Britain*, 19, 46.

² Rose, *Our Food Supply*, in *Monthly Review*, March 1902, p. 67.

³ Yeats, *Recent and Existing Commerce*, 237.

⁴ Though the Treaty of Amiens restored to the Dutch most of the colonial possessions they had lost, they never recovered the effects of this war, in which they were crushed by the hostility of their larger neighbours. Their exclusion from American trade by the English parliament in 1661 was felt as a grievance in the middle of the eighteenth century, i.e. so soon as their development in other directions was checked, and this later experience appears to have given rise to the opinion that the maintenance of the Navigation Acts inflicted serious injury, even after 1667 when the Dutch had been admitted as intermediaries in the German trade (Dumont, *op. cit.* vii. i. 48). The greatness of Holland, like that of Carthage, had been raised, not on the stable basis of land, but on the fluctuating basis of trade. "The manufacturers became merchants, and the merchants became agents and carriers; so that the solid sources

A.D. 1776
—1850.

for
American
markets.

English
prosperity
was secure-
ly founded,

as
industry

however, only able to take full advantage of these great opportunities for a few months; the quantity of English goods exported was enormously increased for a time, especially in trade with the United States and Brazil. But the stimulus given to production was not altogether wholesome; the expansion was so rapid that business men had attempted to strain their credit to the utmost in order to engage in vast speculations, and there was a very serious revulsion when the war broke out again in 1803.

The final crisis had now arrived in the great struggle between France and England for predominance in the world. It seemed possible that the nineteenth century might reverse the story of the eighteenth, and that a rejuvenated France might assert a new power against her ancient rival, not only in Europe but in India and the West Indies. There was a general impression that English prosperity rested on very insecure foundations, and that these might be completely undermined; this opinion gave rise to much anxiety in England, while sanguine expectations of successful rivalry were cherished in France. The economic relations of the two countries had been completely reversed since the Restoration period; after the Peace of Versailles, France had been in constant danger of being flooded by English goods, and French manufacturers demanded the strenuous enforcement of protective legislation in the interest of native industries¹. The

of riches gradually disappeared." Playfair, *Inquiry into the permanent Causes of the Decline and Fall of wealthy and powerful Nations*, 66. His whole account of the decline of Holland is interesting. Her one important manufacture, that of linen, was weighted by the pressure of taxation in competing with other countries, and the increasing use of cotton must surely have affected the demand for the higher-priced fabric. The Dutch carrying trade, which had revived during the War of Independence, was fatally injured when Holland was forced to side against England in the Revolutionary War, and the blows she then received were anticipations of the complete destruction of her greatness which ensued, when she was drawn by Napoleon into the Continental System. It is not uninteresting to notice that these causes of the eventual fall of Holland were noted by Cary, whose comments on Dutch trade are instructive. Writing in 1695 he says, "The Trade of the Dutch consists rather in Buying and Selling than Manufactures, most of their Profits arising from that and the Freights they make of their Ships. . . . Such a Commerce to England would be of little Advantage no more than jobbing for guineas, this Nation would no way advance its Wealth thereby, whose Profits depend on our Product and Manufactures." *Essay on the State of England in relation to its Trade* (1695), pp. 123, 124.

¹ Mr Welsford points out the influence of these conditions in bringing about the Reign of Terror. *Strength of Nations*, 188.

Revolutionary government hoped, by closing French markets ^{A.D. 1778} and attacking English commerce, to ruin this country. ^{—1850.} The natural resources of France were such that she seemed to be able to stand alone, while England was dependent on her commerce. The French authorities absolutely discarded the free trade views which had been diffused by Quesnay under the monarchy, and prohibited the importation of English goods¹, in the hope that they would “soon tear down the veil which envelopes the imposing Colossus of British Power.” They had, however, greatly underrated the economic strength of this country. Vastly as the carrying trade and commerce had increased, this was only one side of English development; industry had been improved to such an extent, both as regards the quality and the cheapness of goods, that other countries found it impossible to dispense altogether with British manufactures. Gallant efforts had been made, too, by the introduction of better methods of stock-raising and tillage to ^{and agri-} render the food supply sufficient, at least in favourable years, ^{culture had} for our greatly increased population. England was really ^{all been} far better prepared to engage in this great struggle than ^{developed;} she appeared to her antagonists, and it is worth while to quote the opinion of a contemporary observer, who realised what a commanding position England had attained in the commercial and industrial world.

“It is a fact of public notoriety, that within the last fifty years almost all the English colonies have been improved, and made to yield more plentiful returns; that their population, and even that of the three united kingdoms in Europe, has been considerably augmented: that their manufactures have acquired a much greater degree of perfection; and of course a more wide-spread circulation; by which means their trade and navigation have been increased by nearly one-half. It is farther known, that within the last thirty years almost every necessary has been enhanced by one-third part of its former price. It is therefore natural that the English receive at ^{a large} present more money for their manufactured products and for ^{revenue was} derived

¹ Mollien, *Mémoires d'un Ministre du Trésor Public*, III. 314. See also Sorel, *L'Europe et la Révolution Franç.* III. 245.

² Brissot, quoted by Rose in *Eng. Hist. Rev.* VIII. 704.

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— 1860.

the commodities which they import from both Indies, than they used to do formerly; and that in consequence they are greater gainers by it, and can afford, better than ever, to pay taxes. In all the well governed states of Europe the expenditure has been rising for the last thirty years, and the revenues have risen in proportion.

*from
customs,*

“He who doubts the advanced flourishing condition of the British commerce and the wealth of the nation, may easily convince himself of his error, merely by comparing the former and present English custom-house entries, the list of imports and exports, and the amount of the duties which they necessarily occasion: to this ought to be added, that the English are now in possession of the greater part of the commerce of the world, and by these means have it in their power to fix the standard price of almost every commodity. They have besides this, immediately after the commencement of the present war, captured from the French and Dutch great numbers of ships with rich cargoes, the amount of which is estimated to exceed £14,000,000 sterling.

*and
England
could defy
competition*

“Allowing that the other commercial nations who are competitors with the English in trade over all the world, even felt themselves inclined to undersell the English in their prices, it would in the first place be incompatible with their interests; in the second, it is out of their power to supply all nations sufficiently, out of the scantiness of their stores. The English possess quantities immensely larger than they do, and barter them for the produce of their manufactures; which is generally the case in every corner of the globe. There is scarcely a single commodity, a single article either of luxury or convenience, that is not manufactured by the English, with the most consummate skill, and in the highest state of perfection.

•

*through her
wealth in
coal,*

“The soil of Britain does not indeed produce a quantity of corn sufficient for the exigencies of its inhabitants; and for this reason it becomes necessary, every year, to remit large sums of money for its purchase to the ports in the Baltic; but then nature has indemnified that country with her rich coal mines, the envy of foreigners, who by this means become, in a certain manner, tributary to England; for the

English parliament has laid a considerable duty on the ex-
portation of coals, which foreign nations are obliged to pay. —A.D. 1776
—1850.

"A nation whose active commerce is so preponderating, compared with its passive trade, who is herself the ruler of the most numerous and fertile colonies in all parts of the world; a nation that sends the produce of her industry to every zone; that has so formidable a navy, and so wide-spread a navigation; a nation, that by her activity and the genius of her citizens, manufactures its numberless articles of merchandise, infinitely finer, in much superior workmanship, in far more exquisite goodness, than all other nations, without exception; and that is able to sell them infinitely cheaper, owing to her admirable engines, her machines, and her native coal; a nation, whose credit and whose capital is so immense as that of England; surely such a nation must render all foreigners tributary; and her very enemies must help to bear the immense burthen of her debt and the enormous accumulation of her taxes. *despite the pressure of debt,*

"The commerce of France and Holland is at present almost totally suspended by the blockade of most of their ports¹. Both countries are totally cut off from their possessions in the East Indies, and are allowed to carry on but a very insignificant trade with their West India colonies. How

¹ "Before the Revolution France employed, in its colonial trade, 180,000 tons of shipping. Between the years 1768 and 1778, the returns in produce from the French colonies, consisting of sugar, coffee, indigo, cocoe and cotton, amounted to the annual value of about £6,400,000 sterling. Of these one-half was consumed in France, the other half exported to other parts of Europe. In 1788 the tonnage employed in the French colonial trade had been augmented to 696 vessels of the burthen of 204,058 tons. The imports rose in that year to the value of about £7,000,000 sterling.

"From an official paper of the French minister of the interior, we learn, that in the year ending Sept. 1800,

	£ Sterling.
The value of the imports of France was	18,500,000
Of the exports	11,800,000
Balance against France in 1800	2,200,000
In the year ending Sept. 1801, the imports were . .	17,870,000
Exports	12,716,000
	4,654,000
Value of prizes captured this year from the enemy . .	670,000
Balance against France in 1801	£3,984,000."

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—1850.

then can these two powers wage war with the produce of their commercial dealings as England does? England alone has room, notwithstanding the harbours that are shut against her, on the extensive globe, and the vast oceans that surround it.

"The sums which Spain and Portugal are obliged to pay to France for their neutrality, cannot, at any rate, indemnify the latter for the expenses of the war, for the obstruction of her commerce, and the loss of her colonies. Add to this, that the credit which France and Holland once had, is now so very, very trifling, as to cripple and paralyse every important enterprise in which they may happen to embark.

*so that
she was
able to
triumph in
the end.*

"What then will be the end of this new war, carried on with so much fury? What are the catastrophes that will at last bring back peace, and appease enraged minds? No mortal will dare to give a decisive answer to these questions. But the attentive observer of the history of his time is, however, at liberty to take a view of matters of fact, and of the resources of the contending parties, from which he may deduce tolerably accurate conclusions¹."

*The
attempts of
England to
destroy the
commerce
of France
embroidered
her with
the United
States*

Had English statesmen been a little more confident of their real strength they might have been saved from a costly blunder; but in the terrible strain of the struggle they were tempted to make a ruthless use of their advantages. It was of course our object, as in the Revolutionary War, to destroy the commerce of France and Holland. In this we were extraordinarily successful. "Not a single merchant ship," as was asserted in 1805, "under a flag inimical to Great Britain, now crosses the equator or traverses the Atlantic Ocean²." Markets formerly closed were now opened by force; England was able to take advantage of her maritime supremacy to prevent the transport of goods by other traders; she was thus once more brought into conflict with neutrals, and especially with the people of the United States.

American shipowners had enjoyed a period of unwonted prosperity from 1793—1802 during the Revolutionary War; they had temporarily become the principal carriers in the trade between the French West Indian colonies and the

¹ Reinhard, *op. cit.* pp. 43—46.

² *War in Disguise*, p. 71.

mother country; previously this trade had been closed to them, but during the war it was convenient to the French that it should be conducted in ships sailing under the United States flag. At the Peace of Amiens in 1802 the government of France at once resumed the colonial monopoly, and excluded the United States ships from a trade which they had enjoyed during the war¹. Hence during the brief period of peace, the French and Dutch trade revived, and the shipping of the States, which had increased enormously during the Revolutionary War, suffered a corresponding decline. With the outbreak of the Napoleonic War, however, the French commercial policy was changed again, and the trade between the mother country and the colonies was thrown open to neutrals. The United States took full advantage of their opportunity, and a new period of prosperity for their shipping began². By calling at an American port and taking out fresh papers, a vessel could carry on a regular trade between France and her colonies, without having any reason to elude our privateers. Indeed the cessation of the restrictive policy, which France and Spain had pursued, favoured the rapid development of their colonies³; and as the neutral traders had no need of convoys, or special rates of insurance, the sugar of the French colonies could be imported on cheaper terms than that from our own islands, even at the very time when we had a complete supremacy at sea. It was further contended that this trade was not a genuine neutral trade, since, owing to the French navigation laws, the neutrals would never have had the opportunity of engaging in it, but for the war; as a matter of fact it had been held illicit in 1756, and our courts had never departed from the rule which was then laid down⁴.

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—1850.

since they
had de-
veloped a
carrying
trade
between
France
and her
colonies

¹ *War in Disguise*, 1805 [by A. Stephen], p. 19.

² Though none of the United States ports lay on the direct route from South America or the West Indies to France and Holland, the trade winds and Gulf Stream (*War in Disguise*, 1805, p. 43) served in such a fashion, that there was but little delay in transmitting goods by way of some North American port, so that the stream of trade between France and Holland and their West Indian colonies readily shifted, according to the exigencies of the times.

³ *War in Disguise*, p. 75.

⁴ "The general rule is, that the neutral has a right to carry on, in time of war, his accustomed trade, to the utmost extent of which that accustomed trade is capable. Very different is the case of a trade which the neutral has never possessed, which he holds by no title of use and habit in times of peace; and

A.D. 1776
—1850.

*to the dis-
advantage
of British
traders.*

*The Orders
in Council
against
neutral
trading*

*called forth
the Berlin*

In so far then as trade was a source of profit and power to France, it appeared that, though we had destroyed her shipping, we had not cut off her commerce. It was not only carried on by neutral vessels to her own ports, but it reached her through the neutral markets of Hamburg, Altona, Emden, Copenhagen, Gottenburg and Lisbon. The rivers and canals of Germany and Flanders carried produce and East Indian fabrics in all directions from these centres, so as to affect not only our commerce but our manufactures. "They supplant, or rival the British planter and merchant, throughout the continent of Europe, and in all the ports of the Mediterranean. They supplant even the manufacturers of Manchester, Birmingham and Yorkshire; for the looms and forges of Germany are put in action by the colonial produce of our enemies, and are rivalling us, by the ample supplies they send under the neutral flag, to every part of the New World¹." Under these circumstances, the British Government determined to attempt, not only to destroy French shipping, but to cut off French trade, by putting a stop to "the frauds of the neutral flags." The first definite action in the matter was taken in 1806, when England endeavoured to strike at the neutral trading, by declaring a blockade along the whole of the Channel from Brest to the Elbe. This was merely declaratory, as the blockade was only enforced at the mouth of the Seine², and in the narrow seas, but it gave Napoleon the opportunity of posing as a champion who would redress the wrongs of neutral powers. France had assumed the rôle of the deliverer of the European peoples from privileged tyranny, and it suited Napoleon to come forward as the maintainer of national rights against the economic and commercial tyranny of Great Britain. In the Berlin Decree of November 1806, he represented the Orders in Council as an infraction of the recognised principles of International Law,

which in fact he can obtain in war, by no other title than by the success of one belligerent against the other and at the expense of that very belligerent under whose success he sets up his title; and such I take to be the colonial trade generally speaking." Judgment of Sir William Scott, quoted in *War in Disguise*, 18.

¹ *War in Disguise*, 78, 71.

² According to the doctrine which Napoleon maintained, the restrictions in regard to blockade only applied to places actually invested; England claimed to interrupt commerce at ports which she had not invested.

and claimed the right to use against England the same measure which she had meted out to other traders¹. He accordingly declared the British Isles in a state of blockade; that all commerce and correspondence with Britain should cease; that all British subjects found in countries occupied by French troops should be prisoners of war; that all merchandise and property of British subjects should be a good and lawful prize; and that all British manufactures or merchandise should be deemed a good prize². In responding to this manifesto England drifted into an act of aggression towards neutral states, which forced them, as during the War of Independence, into a position of hostility. By the Order in Council, issued January 7th, 1807, she declared that neutral vessels were not to trade from port to port on the coasts of France, or of French allies; and further, on the 11th of November, the order appeared, which insisted that neutrals should only trade with a hostile port after touching at a British port, and after paying such customs as the British Government might impose. Napoleon retorted with the Milan Decree (Dec. 1807), which declared that any vessel, which had submitted to the British regulations, was thereby denationalised and good and lawful prize.

A.D. 1776
—1860.

and Milan
Decrees;

By these steps Napoleon was successful in embroiling England in fresh and serious difficulties. The immediate loss to the continental countries was indeed great, as Napoleon insisted on the enforcement of his decrees all over Europe. Denmark, Sweden, and for a time Turkey submitted to his mandates; the Portuguese, who neglected his orders, were severely punished, and vast quantities of English goods were seized at Hamburg, Bremen and Lubeck. The French Minister of Commerce congratulated himself prematurely. "England" he wrote "sees her wares repudiated by the whole of Europe. Her vessels, laden with immense riches, are

these
pressed
severely
on the
customers
of England

¹ England was acting in accordance with the rule of 1798 "not to seize any neutral vessels which should be found carrying on trade directly between the colonies of the enemy and the neutral country to which the vessel belonged, and laden with property of the inhabitants of such neutral country, provided that such neutral vessel should not be supplying, nor should have on the outward voyage supplied, the enemy with any articles of contraband of war, and should not be trading with any blockaded ports." Leone Levi, *History*, 104.

² Leone Levi, *History*, 106.

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—1850.

wandering over those wide seas where she claims the monopoly, and they seek in vain from the Straits of the Sound to the Hellespont for one port which will open to receive them. * * *

but did not
break
down her
monopoly;

"The war itself is nothing more or less than a war for the freedom of commerce. Its violation was the original cause of the outbreak of hostilities. Europe is well aware of its danger, and the Emperor has constantly tried to make freedom for commerce the preliminary of all negotiations. Each of his conquests, by closing an outlet for English trade, has been a victory for French commerce. Thus this war, which has for the moment suspended all the commercial relations of France, has been a war made in her interest, as well as in the interest of the whole of Europe, which up to now has been ground down by the monopoly of England¹."

Napoleon
failed to
develop
industries,

Napoleon looked forward with satisfaction to a speedy rupture between England and the United States. But it was much easier to attempt to interrupt existing commerce, than to call the machinery of production into being. Napoleon's positive scheme of establishing a Continental System, which should foster national prosperity and military resources in France, was an entire failure. He tried to develop the cultivation of cotton in Corsica, and the manufacture of beet-root sugar, so as to provide substitutes for colonial produce; this industry was widely diffused, but it had no real vitality, and collapsed on the fall of the Empire. He allowed the export of food-stuffs to England in 1811, when they were sorely needed, as he believed this would stimulate French and Italian agriculture, and drain Britain of gold².

¹ The report of the Minister of Commerce made 24 Aug. 1807. *Correspondance de Napoleon I^{er}*, vol. xv. p. 528.

² This point has been excellently worked out by Mr Boase in the *Monthly Review*, March, 1902: "Thus, at the time when Napoleon was about to order British and colonial goods (for he now assumed that all colonial goods were British) to be confiscated or burnt all over his vast Empire, he seeks to stimulate exports to our shores. And why? Because such exports would benefit his States and enable public works to be carried out. We may go even further and say that Napoleon believed the effect of sending those exports to our shores would be to weaken us. His economic ideas were those of the crudest section of the old Mercantilist School. He believed that a nation's commercial wealth consisted essentially in its exports, while imports were to be jealously restricted because they drew bullion away. Destroy Britain's exports, and allow her to import whatever his own lands could well spare and she would bleed to death. Such, briefly

The condition of the less favoured members of the system was even worse; their interests were entirely subordinated to those of France, while their commerce was diverted, or interrupted, in a way that caused serious trouble in all parts of the continent, and did comparatively little harm to England. Her colonial and distant commerce increased and gave ample employment to shipping that would otherwise have been engaged in European waters; English manufactures were so far indispensable¹, that a large contraband trade sprang up at once, and quantities of goods were also imported by officials who had licences permitting them to engage in the prohibited traffic². Napoleon, in the hope of doing something for native manufactures, at last determined to confiscate and destroy all English goods; and large bonfires were lighted in Antwerp, Nantes, Ratisbon, Leipsic, Civita Vecchia and many other places. This was the beginning of the end; the loss incurred, following as it did on a long period of uncertain and speculative trade, brought about a collapse of business everywhere; even the favoured French manufacturers were in despair, and the other members of the Continental System, who had been obliged to join in the exclusion of English products, became utterly disaffected by the tyranny imposed on them in the name of commercial liberty. Russia suffered especially, and the military expedition to Moscow³ was rendered necessary by Napoleon's determination to maintain the Continental System; the weapon which he had forged in the hope of dealing a fatal blow at English prosperity⁴ was turned against himself.

A.D. 1776
—1850.

and a large
contraband
trade
sprung up.

stated, was his creed. At that time, wheat fetched more than £5 the quarter; and our great enemy, imagining the drain of our gold to be a greater loss to us than the incoming of new life was gain, pursued the very policy which enabled us to survive that year of scarcity without a serious strain. In 1811-1812 those precious exports of corn from the Napoleonic States ceased, but only because there was not enough for their own people.

"In the latter year, especially, the bread-stuffs of Prussia and Poland were drawn into the devouring vortex of Napoleon's Russian expedition; and this purely military reason explains why the best Danzig sold at Mark Lane at £9 the quarter, and why England was on the brink of starvation. There is not a shred of evidence to prove that the autocrat himself ever framed that notion of cutting off our food supplies, which our Continental friends now frankly tell us would be their chief aim in case of a great war." p. 74.

¹ Rose, *Eng. Hist. Rev.*, 1898, p. 722.

² *Ib.* II. 235.

³ Rose, *Life of Napoleon*, II. 222.

⁴ *Ib.* II. 108 and 211-216.

A.D. 1776
—1850.

*The
rupture
with the
States*

*affected our
supplies of
material
and food*

*as well as
our manu-
factures.*

So far as England was concerned, the most serious difficulty to our manufacturers, involving as it did the suffering of the operatives, was due to the indirect effect of the measures which had been taken by Government in the supposed interests of British trade. As the United States had profited more than any of the other neutrals from carrying on the trade between France and her colonies, American ship-owners suffered more than those of other neutral nations by the Orders in Council and the Berlin and Milan Decrees; both of the belligerents¹ had imposed and enforced restrictions on American commerce, and their action roused increasing indignation in the United States. The Orders in Council were not issued in England without considerable opposition from those who wished to maintain friendly relations with America. In 1809 the United States passed a non-intercourse Act, and made preparations for open hostilities. Hence these Orders, by straining our relations with the United States, had most serious results on the condition of this country. When their produce was not shipped to Spain and France, the United States could not deal so largely in our manufactures; the interruption of trade with them threatened a third of our foreign commerce, increased the difficulties of our food supply, and cut off a portion of the supply of raw cotton for the Lancashire spinners. As competitors in trade, they had foiled our attempts to isolate France and throw her on her own resources. War in disguise had been carried on under the colour of a neutral flag; but in retaliating for this evil, the British Government brought about a condition of affairs, in which every branch of trade connected with America suffered, and suffered severely. Smuggling of every kind, with all its attendant evils, was of constant occurrence², and English public opinion became more and more sensible of the mischiefs caused by the policy we had adopted. The Government, however, pursued its course, though assenting, in answer to an appeal from Lord Brougham³, to a conditional repeal of the Orders in Council, when Napoleon's Decrees should be withdrawn. Before effect could be given to this view, however,

¹ Tucker, *Life of Jefferson*, II. 291.

² Marquis of Lansdowne, quoted by Leone Levi, *op. cit.* 110.

³ *Ib.* 111.

the patience of the United States had been exhausted. The American supporters of Great Britain were foiled; war was declared in 1812, and the quarrel, with all its disastrous consequences to trade and industry, was only healed at the Congress of Vienna. A.D. 1776
— 1850.

With the establishment of peace, in 1815, maritime communication was of course resumed, but material prosperity did not at once revive. Indeed the depression affected all sides of national life simultaneously, and gave rise to expressions of complaint in many quarters. "During the earlier part of the year, the distress had appeared particularly confined to the agricultural labourers, at least the evils pressing upon them were those which had almost exclusively engaged the attention of the parliamentary speakers. But as the season advanced, and an unusual inclemency of weather brought with it the prospect of a general failure in the harvests of Europe, and a rapid rise in the corn market, much more serious distress burst forth among the manufacturing poor, who began to murmur that their reduced wages would no longer satisfy them with bread. *With the
establish-
ment of
peace*

"By the sudden failure of the war-demand for a vast variety of articles, which was not compensated as yet by the recovery of any peace-market, foreign or domestic, thousands of artisans were thrown out of employment, and reduced to a state of extreme want and penury. A detestable spirit of conspiracy, which manifested itself in the early part of the year in the counties of Norfolk, Suffolk, Huntingdon, and Cambridge, directed against houses, barns, and rick-yards, which were devoted to the flames, was probably the result of a want of agricultural employment, joined to the love of plunder. But the distressing scenes which afterwards took place amongst the colliers of Staffordshire, and the attempts made by the assembled workmen of the iron manufacturing districts of South Wales, to stop by force the working of the forges, arose from the causes above referred to. In general, however, the workmen conducted themselves without violence, and received with gratitude the contributions made for their relief. *a period of
depression
ensued;*

"The general sense of suffering found vent throughout the country in meetings called for the purpose of discussing the

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—1850.

causes and remedies of these evils, and petitions for redress of grievances, for economy and for parliamentary reform, poured in on all sides." There was a bitter irony in the fact that the success of England, in foiling the attack on her commercial prosperity, should be marked by "urgent symptoms of suffering which broke out over the whole face of the country and in almost all classes of the community".

though
successful
speculators
had gained,

The various international struggles had far-reaching results on the business habits and economic condition of the country. The *laissez faire* policy had led to a practical abandonment of industrial regulations of every kind, and manufacturers were much more free to expand their business, and take advantage of fresh openings, than would have been possible in the old days. The man of enterprise had his reward, and the industrial and agricultural revolutions were doubtless accelerated by the political events of the time. The ultimate result was the triumph of England; and the gain to the country, as measured by the volume of trade and the increase of shipping, was immense². But if we take the welfare of the community as a criterion, the subject assumes a very different aspect; pauperism abounded and the burden of poor rates was a heavy charge³. The increased rapidity of the transition was in itself an aggravation of the misery it entailed; the speculative character which business assumed was inconsistent with the steady maintenance of a standard of comfort, and the occasional interruptions from which the various textile trades suffered in turn were most disastrous. To contemporary observers much of the suffering of the time, and especially the distress after the peace, was inexplicable; though the teaching of Adam Smith might have given them a clue to explain the main features of the situation⁴. England had become a great commercial nation; her prosperity had ceased to depend primarily, as it did in the sixteenth, and even in the seventeenth century, on the prosperity of the landed interest⁵. It rested on the fluctuating basis of trade. This

the com-
munity as
a whole
suffered

¹ *Annual Register*, 1816, Preface iv.

² The Government was thus enabled to obtain an enormously increased revenue from customs; these increased from £23,948,000 in 1794 to £10,821,000 in 1810. *Reports*, 1828, v. 610, 625.

³ *Reports*, ix. 189.

⁴ See above, p. 596.

⁵ See above, pp. 112, 386.

country could only be flourishing when her neighbours were sufficiently well off to be good customers for her goods. So long as the exhaustion, due to the war, continued on the Continent there was little room for fresh activity at home. Agricultural land will recover from the devastating effects of war in a year or two, if seed and stock and labour are available¹, but trade connections may not be easy to reestablish, and purchasing power does not recuperate at short notice.

257. It would be impossible to follow out the ramifications of the influence of these political changes in detail, but an attempt may be made to point out some of their effects on the main factors in production. The changing conditions of war and peace had grave results upon the supply of materials for some of the staple trades. Spanish wool was used for many fabrics, and certain branches of trade relied almost entirely on Saxony wool. The interruption of communications—apart from all questions of Napoleonic policy—could not but cause distress. The cotton trade, which depended exclusively on imported materials, was on the whole well supplied by English shippers; but the loss of Tobago² was severely felt at the time, and the war of 1812, by cutting us off from Carolina, caused a serious scarcity.

The influence of the changing political conditions in opening and closing foreign markets was very noticeable at the time³, though the development of clandestine trade was so great, that the actual distress due to this cause was probably less than might have been anticipated. There seem to have been curiously discriminating changes of foreign demand, for

¹ J. S. Mill, *Principles of Political Economy*, Bk. I. v. § 7.

² *Parl. Hist.* xxx. 778.

³ The war had something to do with bringing in the low rates of spinning in 1798. "In several villages where the spinners could get a shilling for jenny-spinning before the war they were taken off threepence when the war broke out. In these very villages, one of which I have lately visited, in Huntingdonshire, five-pence are now taken off, in some sixpence, and even sevenpence. So that in many places the poor, if they can possibly help it, will not spin at all. There is indeed no sale for the yarn, and on conversing with a gentleman who has large concerns in the wool trade and in whose county I met with many spinners who had sevenpence in the shilling taken off, he assured me he should lose in the course of the last six months a thousand pounds by the war." *The Complaints of the Poor People of England*, 1798. *Brit. Mus. C. T.* 104. 11.

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—1850.

*and the interruption
of the food
supply,*

finished wares obtained a sale, during times of war, when half manufactured goods, like cotton yarn, were no longer exported¹.

So far as the industrial population was concerned, the keenest distress arose when the fortunes of war deprived us of access to regions from which food could be obtained, in a season when the home supply had fallen short. This was the case in the last years of the Revolutionary War (1801–2), and again in 1811. It is probable that the disturbed state of the country, which called forth the Combination Acts and expressed itself in the Luddite Riots, was more directly connected with this cause, than with political disaffection, or the introduction of machinery.

*and all
capitalists
were
affected by
the variations in
credit*

While labour bore the brunt of the distress it cannot be said that capital went scatheless. In the latter part of the eighteenth century, the large employers of labour, both in manufacturing and tillage, had become accustomed to rely on borrowed capital; the terms, on which bankers would be willing to make or renew advances, were of vital importance for the conduct of business affairs. The losses, which merchants and manufacturers sustained from the difficulties caused by the wars, in connection with the transport of goods, would have been comparatively trivial, if they had not served as the occasion for reckless speculation and subsequent contractions of credit.

*and the
consequent
crises.*

The alternation of peace and war gave rise to conditions which inevitably called forth a series of commercial crises. When prices are high and the prospects of trade are good, all merchants and manufacturers are inclined to increase their business as much as possible, and the banks are ready to advance them capital for the purpose on their personal credit. The bills which thus get into circulation are a practical addition to the paper-money of the country, and the issue and acceptance of so much paper tends to raise prices still farther, and to encourage merchants to engage in larger transactions. If the bankers are not alive to the danger of this state of affairs, they may foment the evil by continuing to lend readily; they have it in their power to check the speculative enthusiasm by raising the terms on which they are prepared to

¹ See above, p. 634.

grant loans. When the period of increasing inflation is allowed to continue too long, some unlooked-for incident may force the banks to reconsider their position, and suddenly refuse to continue the accommodation they have been giving to merchants and manufacturers. As a consequence, some traders, who are really quite solvent, may have great difficulty in obtaining money with which to pay their way, and will be forced either to realise their stocks at great loss, or to suspend payment. The bills of such a firm will at once become discredited, and those who hold them will have increased difficulty in discharging their own obligations, so that one firm after another may be dragged into the vortex and go down.

Illustrations of the manner in which political changes affected the state of commercial credit have already been given in connection with the over-trading which occurred, on the cessation of hostilities with the American colonies in 1782, and again after the years of rapid progress which were suddenly checked by the outbreak of the Revolutionary War in 1793. The 'short and feverish peace' of 1803 did not last long enough to allow of a serious development of speculative trading, but the conditions of business in 1809-10 lured many merchants to disaster. The high range of prices in England gave an unhealthy impulse to importation, and there was also a development of speculative trading with South America¹. The sudden closing of the Baltic trade seems to have been the chief incident which brought about the actual collapse, which was extraordinarily severe, and from which there was little opportunity to recover. It is, of course, true that the alternations of peace and war were not the only causes at work in producing these results; the bad times in 1793 and 1797 were connected with the progress of the industrial revolution. The sinking of capital in factories and machinery and the making of canals² caused an internal drain on the reserve of the banks³; these years were in some ways an anticipation of the troubles caused by the railway mania⁴; still the political storms were the most important factors in bringing about sudden fluctuations in trade and credit.

¹ Tooke, *History of Prices*, I. 276, 308.

² Macpherson, *Annals*, IV. 226.

³ Nicholson, *Principles of Political Economy*, II. 210.

⁴ See p. 826 below.

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—1850.

while Pitt
used his
power of
borrowing

To some extent the difficulties of private traders were due, not to the conditions of commerce, but to the state of public credit, and the extraordinary demands of the Government upon the resources of the Bank of England. This comes out very clearly in the financial history of the four years which followed 1793. At that time Pitt succeeded in carrying a measure, which had been intended to protect the Directors in meeting the convenience of the Government, but which really gave the ministers of the day irresponsible control over the management of the Bank. In the original Act which created the Bank, the legislature had been careful to provide against the lending of money to Government without the permission of Parliament; but a practice had grown up of advancing sums to the ministry, which might amount to £20,000 or £30,000 at a time, in payment of bills of exchange. The Directors however had some doubts as to the legality of the practice; and endeavoured to procure an Act of Indemnity for these transactions in the past, as well as powers to continue them to a limited amount such as £50,000. Pitt succeeded in passing the Bill without any specified limitation, and he was therefore able to draw on the Bank as freely as he chose, trusting to the unwillingness of the Directors to dishonour his bills. In December 1794, the Directors began to find themselves in a position of great difficulty, as their reserve was very low¹,

¹ This was partly due to the war expenses abroad which were estimated at £82,810,977 for the years 1798-7, and partly to the advancing of loans to the Emperor and the King of Prussia. *Third Report from Committee of Secrecy, in Reports*, xl. 122. There was also an internal drain. "In addition to these causes of actual expence, your Committee think proper to advert to various circumstances, which may contribute either to the delay of the due return of commercial dealings, or require enlarged means of circulation in the country. Of this nature are, the habit of the British merchant to give longer credit to the Foreign merchant than he receives in return; the change of the course of trade since the War, and the opening of new accounts with new customers; the circuitous remittance of money from various parts, in consequence of interruptions in the means of direct communication, and the state of some of the countries from which considerable remittances are due: To these are to be added the increase of domestic commerce, the increase of manufactures for home consumption, the general spirit of internal improvement in agriculture, and in the formation of canals and other public works: To these may also be added, as producing a further necessity for a greater quantity of circulating medium, other causes of a different nature, and in other respects of an opposite tendency, and particularly the increased price of freight, shipping, insurance, demurrage, and a variety of other articles, generally affecting the trade of the country, both in its former and in its

and they made repeated representations to Pitt to reduce his demands. Their remonstrances were ineffective, and they did not perhaps show as much firmness as might have been desirable in the face of the continued drain of gold. They did however contract their issues to commercial men to such an extent as to cause great complaint in the City¹, while Pitt continued to press for further advances. He had more than once promised the Directors to make payments which would reduce the advances on Treasury Bills to £500,000, but in June 1796, the debt amounted to £1,232,649, and he succeeded in obtaining £800,000 in the July, and a similar sum in the August, of that year². The Bank was perfectly solvent³, and might have succeeded in weathering the storm,

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—1860.

so persist-
ently

increased state; the advanced price of labour, and of all the necessities of life, and almost every kind of commodity. Added to all these circumstances, the operations and expences of the War may be supposed to require a greater quantity of circulating medium for internal as well as for external purposes." *Third Report*, in *Reports*, xi. p. 123.

¹ "It appears, on the other hand, to have been the opinion of persons engaged in commercial and pecuniary transactions, that the diminution of Bank notes since December 1795, so far from tending to secure the Bank from the danger of a drain of Cash, by contracting their engagements within a narrower compass, has in effect contributed to the embarrassment which they have lately experienced, by reducing the requisite means of circulation, diminishing the general accommodation by way of discount, and thus occasioning a more pressing demand for specie, for which the Bank itself is the readiest as well as the ultimate source of supply.

"There appears to Your Committee good reason to apprehend, that the country Bank notes in circulation have been reduced one-third from the time of the difficulties in 1798 to December 1796, and that they have since that period suffered a still further diminution; and from hence has been inferred the necessity of providing from the Bank an adequate supply of their notes to compensate for this chasm in the circulation of the country.

"Your Committee conceive it may be thought important to state, that the amount of the Cash and Bullion in the Bank, during a great part of the year 1782, and a very considerable part of the year 1784, was below the amount at which it stood in any part of the year 1796; and that, during the whole of 1788, the amount was lower, and during some parts of that year was considerably lower than it was on the 26th of February last; and that the Bank did not at those periods lessen the amount of their discounts or notes, and the circulation of the country suffered no interruption." *Third Report*, in *Reports*, xi. p. 123.

² Macleod, i. 523.

³ The Bank was perfectly solvent at the time of the suspension. "Your Committee find, upon such examination, that the total Amount of Outstanding Demands on the Bank, on the 25th day of February last (to which day the Accounts could be completely made up) was £18,770,890; and that the total Amount of the Funds for discharging those Demands (not including the permanent Debt due from Government of £11,686,800, which bears an interest of Three per Cent.) was on the same

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—1850.

but for unlooked-for difficulties which arose during the month of February 1797.

and political affairs
were so threatening

In December 1796, the French expedition which had been prepared for the invasion of Ireland was dispersed, but the mere attempt created a sense of insecurity which was felt in all parts of the country and especially on the coasts. The excitement among the neighbouring farmers caused a run on the bank at Newcastle¹, and the Bank of England was quite unable to meet the demands for cash which came upon it from all quarters. The Directors were obliged in self-defence to curtail their issues; and as private bankers found it necessary to take a similar course, the mercantile community were put to the greatest straits in order to meet their engagements. Still, in spite of all efforts at retrenchment, the reserve at the Bank fell so low, that Pitt consented to issue an order suspending the obligation of the Bank to pay its notes in coin. When relieved from this necessity, the Bank was able to lend more freely and thus

that the
Bank had
to suspend
cash
payments,

25th day of February last £17,597,280; and that the result is, that there was on the 25th day of February last a surplus of effects belonging to the Bank beyond the Amount of their Debts, amounting to the sum of £3,826,890, exclusive of the above-mentioned permanent Debt of £11,686,800 due from Government.

"And Your Committee further represent, that since the 25th of February last considerable Issues have been made by the Bank in Bank Notes, both upon Government Securities and in discounting Bills, the particulars of which could not immediately be made up; but as those Issues appear to Your Committee to have been made upon corresponding securities, taken with the usual care and attention, the actual Balance in favour of the Bank did not appear to Your Committee to have been thereby diminished." *First Report*, reprinted in *Reports*, xi. p. 120.

¹ "Your Committee find, that in consequence of this apprehension, the farmers suddenly brought the produce of their lands to sale, and carried the notes of the Country Banks, which they had collected by these and other means, into those banks for payment; that this unusual and sudden demand for Cash reduced the several Banks at Newcastle to the necessity of suspending their payments in specie, and of availing themselves of all the means in their power of procuring a speedy supply of Cash from the metropolis; that the effects of this demand on the Newcastle Banks, and of their suspension of payments in Cash, soon spread over various parts of the country, from whence similar applications were consequently made to the metropolis for Cash; that the alarm thus diffused, not only occasioned an increased demand for Cash in the country, but probably a disposition in many to hoard what was thus obtained; that this call on the metropolis, through whatever channels, directly affected the Bank of England, as the great repository of Cash, and was in the course of still further operation upon it, when stopped by the Minute of Council of the 26th of February." *Third Report*, in *Reports*, xi. pp. 121-2.

succeeded in restoring mercantile credit. The restriction on cash payments was continued, when the crisis was past¹, so that the Bank might be free to provide a generally acceptable paper currency, and save the commercial world from further disaster. The discretionary power vested in the Directors served as a safety valve. It was extremely convenient to traders to be able to count on facilities for borrowing, without having their claims to consideration automatically limited in consequence of the extraordinary demands which Government made for military purposes.

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and an issue of inconvertible notes provided the requisite circulating medium, and allayed the panic.

258. Such were the immediate effects of the finance of the period upon commerce and industry; it must be remembered, however, that a great part of the burden of the expenditure was deferred, and has been borne by subsequent

Much of the fiscal burden was deferred,

¹ The following Resolution was agreed to by the Court of Directors of the Bank on Thursday the 26th October, 1797:

"RESOLVED, That it is the opinion of this Court, That the Governor and Company of the Bank of England are enabled to issue Specie, in any manner that may be deemed necessary for the accommodation of the Public; and the Court have no hesitation to declare, that the affairs of the Bank are in such a state, that it can with safety resume its accustomed functions, if the political circumstances of the country do not render it inexpedient: but the Directors deeming it foreign to their province to judge of these points, wish to submit to the wisdom of Parliament, whether, as it has been once judged proper to lay a restriction on the payments of the Bank in Cash, it may, or may not, be prudent to continue the same."

"Your Committee having further examined the Governor and Deputy Governor, as to what may be meant by the political circumstances mentioned in that Resolution, find, that they understand by them, the state of hostility in which the Nation is still involved, and particularly such apprehensions as may be entertained of invasion, either in Ireland or this country, together with the possibility there may be of advances being to be made from this country to Ireland; and that from those circumstances so explained, and from the nature of the war, and the avowed purpose of the enemy to attack this country by means of its public credit, and to distress it in its financial operations, they are led to think that it will be expedient to continue the restriction now subsisting, with the reserve for partial issues of Cash, at the discretion of the Bank, of the nature of that contained in the present Acts; and that it may be so continued, without injury to the credit of the Bank, and with advantage to the Nation.

"Your Committee, therefore, having taken into consideration the general situation of the country, are of opinion, that notwithstanding the affairs of the Bank, both with respect to the general balance of its Accounts, and its capacity of making payments in Specie, are in such a state that it might with safety resume its accustomed functions, under a different state of public affairs; yet, that it will be expedient to continue the restriction now subsisting on such payments, for such time, and under such limitations, as to the wisdom of Parliament may seem fit." *Appendix, Third Report, in Reports, xi. p. 192.*

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and while
Pitt's
Sinking
Fund,

generations. Pitt was keenly alive to the disadvantages of public borrowing, and endeavoured to avoid it; but circumstances were against him. He was alarmed by the rate at which the debt was increasing; £121,000,000 had been added during the American War¹; the amounts were large, and the terms which ministers made with the public creditors were extravagant; instead of borrowing at a high rate of interest, in the hope of subsequently financing the debt, they borrowed at a low rate of interest, and were forced to offer all sorts of extra inducements. Thus in 1782 for every £100 subscribed, the Government allotted £100 in the three per cents., £50 in the four per cents. with an annuity of 17s. 6d. for seventy-eight years², and extra inducements were given in floating the loans by connecting them with lotteries³. The permanent indebtedness was swelled from time to time by funding Exchequer and Navy Bills⁴, and in 1786 the debt amounted to £245,466,855, involving an annual charge of £9,666,541⁵. Pitt set himself to reduce this terrible indebtedness, and established a Sinking Fund, by means of which he was able to pay off about £10,000,000, before the exigencies of the Revolutionary and the Napoleonic Wars rendered fresh borrowing inevitable. The main outlines of the scheme which Pitt introduced⁶ had been formulated by

¹ Sinclair, *History of the Public Revenue*, II. 98.

² 22 Geo. III. c. 8.

³ Hamilton, *An Inquiry concerning the Rise and Progress of the National Debt of Great Britain* (1814), p. 212.

⁴ Sir John Sinclair thus describes the progress of the debt. "At first when a nation borrows, it is under the necessity of providing a fund for defraying not only the principal but the interest of its debts. The creditor is afterwards perfectly satisfied, if he is secured in the punctual payment of the interest, knowing perfectly well that his capital will at any time fetch an adequate value in the market: and in process of time he is contented without any fixed security either for his principal or interest, except the general faith and credit of the public. In this manner the unfunded debt of the nation has arisen. At present it consists of Exchequer Bills, of bills granted by the navy and victualling boards, and of various claims and other expenses." *History of the Public Revenue*, III. 258. Hamilton points out that "the funded capital has been increased in a manner different from loans. Exchequer and Navy Bills have been funded to a great extent. That is, instead of paying these bills, capital in one or more funds has been assigned to the holders on such terms as they were willing to accept of." *Inquiry concerning the Rise and Progress of the National Debt*, 64.

⁵ Fenn, *Compendium of the English and Foreign Funds*, 5.

⁶ 26 Geo. III. c. 81.

Dr Price¹, and it avoided the errors which had rendered ^{A.D. 1776} Walpole's Sinking Fund nugatory². There was now ample ^{—1850.} security that the money set aside every year should really be devoted to the reduction of debt, and not diverted, as Walpole's Sinking Fund had been, to bear the ordinary expenses of government. According to Pitt's scheme £1,000,000 a year was paid to commissioners who were to invest in the National Debt, until a sum stood in their names which gave an income, along with the £1,000,000 contributed by the country, of £4,000,000 a year³. With the £4,000,000, which thus became their annual income, they were to buy up additional portions of the National Debt, the dividends of which should be extinguished⁴. In this way it was hoped that the charge for interest would be gradually reduced while the principal debt would be transferred to the credit of the commissioners at the rate of £4,000,000 a year. Upon paper, the scheme appeared to be admirable⁵; and it had many merits; indeed it was in its very plausibility that its chief danger consisted, as it appears to have lulled the mind of the ministers and the public into a false sense of security in the matter of borrowing⁶. Possibly the vast additions to the debt would have taken place under any circumstances; as a matter of fact £271,000,000 was borrowed during the Revolutionary War, and £618,000,000 in the struggle with Napoleon; but it seems probable that the House of Commons was much more complacent over this unexampled increase of the National ^{which avoided the mistakes in Walpole's scheme,} ^{inspired mistaken confidence,}

¹ *The State of the Public Debts and Finances* (1788), p. 29; also see the Introduction.

² Price, *Observations on Reversionary Payments* (1778), 168.

³ 26 Geo. III. c. 81, § 20.

⁴ This provision was repealed in 1802 (42 Geo. III. c. 71). An admirable history of the Sinking Fund will be found in the *Explanatory and Historical Notes of the Several Heads by Public Income and Expenditure*, which forms Appendix 18 to the *Account relating to Public Income and Expenditure, 1868-9. Accounts and Papers, 1868-9*, xxxv. 1197, printed pagination 718.

⁵ For a very sanguine view of the operation of the Sinking Fund see G. Rose, *A Brief Examination into the Increase of the Revenue, Commerce and Manufactures of Great Britain from 1792 to 1799*, p. 26.

⁶ This was a point on which Cobbett laid stress, "By giving people renewed confidence in the solidity of the Funds and Stocks it rendered Government borrowing more easy." *Paper against Gold* (1815), i. 65. Cobbett was a vigorous critic of the Sinking Fund in 1803 and onwards (*Noble Nonsense* (1828), p. 10), before Hamilton wrote or Grenville was convinced of its futility.

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Debt, because they were under the impression that a self-acting mechanism for paying off debt was in operation, and that, however recklessly they borrowed, the Sinking Fund would soon suffice to set things straight.

The Sinking Fund did not provide new sources of wealth, as it did not afford means of either using the land, or applying labour to better advantage. It did not give us fresh resources, it only served as a new method of keeping account of the monetary resources at the command of the community; there could be no real discharge of debts when the available income did not exceed expenditure¹. It was an entire mistake to suppose that the country was becoming more solvent² when the Government borrowed large amounts on one side, and paid off small amounts on the other³. Indeed during some part of the operation of the Sinking Fund, which existed from 1786 to 1829⁴, things were really going from bad to worse, as new debt, incurred at high rates of interest, was used to pay off sums that had been borrowed on easier terms⁵. There was a curious irony in the fact that the

it served to
encourage
reckless
borrowing.

¹ This was the point insisted on by Hamilton, "The excess of revenue above expenditure is the only real Sinking Fund." *Inquiry*, p. 10.

² Grenville [*Essay on the Sinking Fund* (1828)] discussed the principles of a sound scheme and showed the inutility of all borrowed sinking funds, and the impossibility of deriving benefit from a sinking fund which continued to operate in times of deficient revenue (p. 72), since the discharge of debt could only take place through the existence of surplus revenue. Prices had made it an essential that the fund should continue undiverted in time of war as well as of peace. *State of Public Debts*, 85.

³ During the period from 1798 to 1829 there was only one year (1817) in which money was not raised by loan in order to aid the Sinking Fund. *Accounts relating to Public Income and Expenditure*, Appendix 13, 1868-9, xxxv. printed pag. 718.

⁴ 10 G. IV. c. 27.

⁵ *Fourth Report from Select Committee on Public Income and Expenditure*, 1828, v. 557. The case is stated more fully in a subsequent paper. "The actual result of all these Sinking Fund operations was that the total amount of £380,060,455 was raised at £5. 0s. 6d. per cent. per annum to pay off debt carrying interest at 4½ per cent. per annum. The difference between these two rates is 10/6 per cent. per annum, amounting upon the total capital sum of £380,060,455 to £1,627,765 per annum, which may be set down as the increased annual charge of our Funded Debt, and a real loss to the public from this deceptive Sinking Fund System, without taking into account the expenses of management of the Sinking Fund, and the increased amount of capital of debt, consequent upon the practice of borrowing on less advantageous terms, far larger sums than were required to meet the actual public expenditure." *Accounts relating to Public Income and Expenditure*, Pt. II., Ap. 13, 1868-9, xxxv. 1202, printed pag. 718.

system which Pitt introduced, in his anxiety to reduce the debt of the country, should have operated so as to add to the burden of national obligations, and should by the mistaken expectations it engendered have served as an incentive to reckless borrowing.

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259. It has been pointed out above that the suspension of cash payments enabled the Bank of England to give increased accommodation to the public, and thus to restore commercial credit¹; but the measure which effected this desirable result entirely changed the character of the paper currency of the country. The value of the bank-notes was no longer based on that of the precious metals; they had really become inconvertible; it was only by the exercise of great judgment in restricting the issues of paper, that the Directors could hope to maintain the notes at par. As a matter of fact, they failed sufficiently to limit the quantities which were put in circulation, with the result that the country began to suffer from the evils of a depreciated currency. The ulterior and indirect effects of the pressure, which Pitt put on the Bank in 1797, were seriously felt during the first quarter of the nineteenth century; prices were inflated, and the exchanges with foreign countries tended to be unfavourable. It may be impossible to gauge the precise amount of mischief which was due to this cause in particular, we can only note it as a serious aggravation, and as one which affected all classes, rich and poor. Depreciation of the circulating medium rendered the purchasing power of money less at a time when wages generally were low, and were falling. The evils are well stated by the Committee which was appointed to investigate the subject.

*After the
suspension
of cash
payments*

*there was
no check
on the un-
conscious
depreci-
ation of the
currency*

“Your Committee conceive that it would be superfluous to point out, in detail, the disadvantages which must result to the country, from any such general excess of currency as lowers its relative value. The effect of such an augmentation of prices upon all money transactions for time; the unavoidable injury suffered by annuitants, and by creditors of every description, both private and public; the unintended advantage gained by Government and all other debtors; are

*by the
over-issue
of paper,*

¹ See above, p. 694.

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*which
tended to
raise
general
prices and
reduce the
purchasing
power of
wages.*

consequences too obvious to require proof, and too repugnant to justice to be left without remedy. By far the most important portion of this effect appears to Your Committee to be that which is communicated to the wages of common country labour, the rate of which, it is well known, adapts itself more slowly to the changes which happen in the value of money, than the price of any other species of labour or commodity. And it is enough for Your Committee to allude to some classes of the public servants, whose pay, if once raised in consequence of a depreciation of money, cannot so conveniently be reduced again to its former rate, even after money shall have recovered its value. The future progress of these inconveniences and evils, if not checked, must at no great distance of time work a practical conviction upon the minds of all those who may still doubt their existence¹."

*The
authorities
of the
Bank con-
tested the
fact of de-
preciation*

Curiously enough, controversy raged for many years on the simple matter of fact as to whether the notes of the Bank of England had depreciated or not. There was no doubt that the value of notes relatively to gold had changed; and that whereas the Mint price of gold ought to be £3. 17s. 10½d. an ounce, the market price in 1810 had risen to £4. 10s. 0d.², while the rates of exchange with Hamburg had fallen 9 per cent. and with Paris 14 per cent. The Directors of the Bank of England, the Government of the day, and the mercantile community generally were of opinion that there had been no depreciation of notes up to 1810, but that gold had been very scarce and had risen in value. On the other hand the experts, who sat on the Bullion Committee of the House of Commons, were clear that the monetary phenomena of the day, and especially the foreign exchanges, were inexplicable on any other hypothesis than that of the depreciation of the circulating medium. Even as late as 1819³ the majority of the Directors adhered to the view which the Bank had persistently maintained, that since the public were always ready to accept their notes there could not be a real depreciation of value. According to their opinion, the fact that

¹ *Report from the Select Committee on the High Price of Gold Bullion, in Reports, 1810, p. 81.*

² *McLeod, Theory and Practice of Banking, II. 29.*

³ *McLeod, Theory and Practice, II. 80.*

paper-money circulated freely, showed that it retained its value; after all, this only meant that so long as the credit of the Bank was good, its paper-issues were valuable; but it did not prove, as the Directors thought, that the paper retained its original value. They and their supporters were ready to argue that, in so far as there was a marked divergence between the value of gold and the value of a note, this was due, not to a depreciation of the paper, but to an appreciation of gold, brought about by an unusual continental demand, owing to the requirements of the French armies and an increased disposition to hoard¹. Experience was being gradually collected however; and as it accumulated, the fact became clearer that an over-issue of notes was the real cause of the trouble. There had been an enquiry, in 1804, into the reasons for the extraordinary difference between gold prices and paper prices in Dublin, and for the unfavourable state of the exchanges between Dublin and London², and good grounds had been shown for believing that the phenomena were due to the greatly increased circulation of notes by the Bank of Ireland³. The monetary conditions, into which the Bullion Committee was appointed to enquire in 1810, were similar in every respect, and that enquiry resulted in an admirable report in which the Committee showed that a real depreciation of notes had occurred⁴. It insisted that the Directors should

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*but recent
experience
in Ireland*

*rendered
the true
state of the
case clear
to the
Bullion
Committee.*

¹ *Report from the Select Committee on the High Price of Gold Bullion, 1810, m. 2.*

² *Report of the Committee on the Circulating Paper, the Specie, and the Current Coin of Ireland, 1804 (reprinted in 1810). Accounts and Papers, 1810, m. 885.*

³ McLeod, *Theory and Practice*, II. 18. There was a difference of twelve per cent. in the exchanges at Belfast, where Irish bank-notes did not circulate, and at Dublin, where they did.

⁴ "Upon a review of all the facts and reasonings which have been submitted to the consideration of Your Committee in the course of their Enquiry, they have formed an Opinion, which they submit to the House:—That there is at present an excess in the paper circulation of this Country, of which the most unequivocal symptom is the very high price of Bullion, and next to that, the low state of the Continental Exchanges; that this excess is to be ascribed to the want of a sufficient check and control in the issues of paper from the Bank of England; and originally, to the suspension of cash payments, which removed the natural and true control. For upon a general view of the subject, Your Committee are of opinion, that no safe, certain, and constantly adequate provision against an excess of paper currency, either occasional or permanent, can be found, except in the convertibility of all such paper into specie. Your Committee cannot, therefore,

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be guided by the state of the exchanges in making their issues¹. But the opposite party were not prepared to give

but see reason to regret, that the suspension of cash payments, which, in the most favourable light in which it can be viewed, was only a temporary measure, has been continued so long; and particularly, that by the manner in which the present continuing Act is framed, the character should have been given to it of a permanent war measure." *Report from the Select Committee on the High Price of Gold Bullion, in Reports, 1810, p. 80.*

¹ "It is important, at the same time, to observe, that under the former system, when the Bank was bound to answer its Notes in specie upon demand, the state of the Foreign Exchanges and the price of Gold did most materially influence its conduct in the issue of those Notes, though it was not the practice of the Directors systematically to watch either the one or the other. So long as Gold was demandable for their paper, they were speedily apprized of a depression of the Exchange, and a rise in the price of Gold, by a run upon them for that article. If at any time they incautiously exceeded the proper limit of their advances and issues, the paper was quickly brought back to them, by those who were tempted to profit by the market price of Gold or by the rate of Exchange. In this manner the evil soon cured itself. The Directors of the Bank having their apprehensions excited by the reduction of their stock of Gold, and being able to replace their loss only by reiterated purchases of Bullion at a very losing price, naturally contracted their issues of paper, and thus gave to the remaining paper, as well as to the Coin for which it was interchangeable, an increased value, while the clandestine exportation either of the coin, or the Gold produced from it, combined in improving the state of the Exchange, and in producing a corresponding diminution of the difference between the market price and Mint price of Gold, or of paper convertible into Gold.

"It was a necessary consequence of the suspension of cash payments, to exempt the Bank from that drain of Gold, which, in former times, was sure to result from an unfavourable Exchange and a high price of Bullion. And the Directors, released from all fears of such a drain, and no longer feeling any inconvenience from such a state of things, have not been prompted to restore the Exchanges and the price of Gold to their proper level by a reduction of their advances and issues. The Directors, in former times, did not perhaps perceive and acknowledge the principle more distinctly than those of the present day, but they felt the inconvenience, and obeyed its impulse; which practically established a check and limitation to the issue of paper. In the present times, the inconvenience is not felt; and the check, accordingly, is no longer in force. But your Committee beg leave to report it to the House as their most clear opinion, that so long as the suspension of Cash Payments is permitted to subsist, the price of Gold Bullion and the general Course of Exchange with Foreign Countries, taken for any considerable period of time, form the best general criterion from which any inference can be drawn, as to the sufficiency or excess of paper currency in circulation; and that the Bank of England cannot safely regulate the amount of its issues, without having reference to the criterion presented by these two circumstances. And upon a review of all the facts and reasonings which have already been stated, Your Committee are further of opinion, that, although the commercial state of this Country, and the political state of the Continent, may have had some influence on the high price of Gold Bullion and the unfavourable Course of Exchange with Foreign Countries, this price, and this depreciation, are also to be ascribed to the want of a permanent check, and a sufficient limitation of the paper currency in this Country." *Report from the Select Committee on the High Price of Gold Bullion, 1810, III. 20, 21.*

in; the House of Commons rejected Mr Horner's resolutions, A.D. 1776 —1850. which were based on the report of the Committee, by a majority of two to one¹, and subsequently passed a measure² which rendered the refusal to accept bank-notes at their face value as the equivalent of gold³ as a misdemeanour. The victorious, though mistaken view was so strongly held, that a favourable opportunity, which occurred in 1816, of restoring the currency to its metallic basis was lost⁴; and it was not till 1819 that the soundness of the principles of the Bullion Report was recognised, and that the younger Sir R. Peel, who had voted in the majority in 1810, brought in a Bill for the resumption of cash payments. There was some fear that a contraction of the circulating medium would be injuriously felt in the City⁵; and the period of inflated prices had lasted so long, that question was raised⁶ as to the fairness of insisting that contracts for payments, agreed on under the old conditions, should be enforced without modification on the basis of the restored standard. But any injustice to individuals arising from this cause appears to have been very slight, and the advantage to the community of re-establishing a sound currency was incalculable.

and their principles were adopted in 1819,

when cash payments were resumed.

260. The bearing of the suspension of cash payments on the welfare of the working classes was so remote that they did not recognise it; but the high price of food was a grievance of which they were well aware, and it obviously aggravated their sufferings and roused their passions. The rioting of which we hear, was occasioned in some cases by the introduction of machinery; but these outbreaks usually occurred in

The working classes suffered from the high price of corn,

¹ McLeod, *op. cit.* ii. 54.

² 51 Geo. III. c. 127.

³ This was occasioned by Lord King's conduct in issuing a circular to his tenants giving them notice that rents were to be paid in gold. Cobbett, *Paper against Gold*, i. 456.

⁴ From July 1816 to July 1817 the market price of gold did not exceed £8. 19s. 0d. per ounce. The exchanges with the Continent for a very considerable portion of that period were in favour of the country; but Parliament though desirous of restoring the currency to a cash basis determined to continue the suspension temporarily so as to give the Directors time to prepare for the change (56 Geo. III. c. 21). *Second Report from the Secret Committee on the expediency of the Bank resuming Cash Payments*, 1819, iii. 8, 4.

⁵ A petition signed by 500 merchants was presented against the Bill, McLeod, ii. 79.

⁶ Compare the debates in the Commons in 1822 and 1823, McLeod, *op. cit.* ii. 99, 108.

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which was
partly due
to the
increased
demand

times of dearth, ~~and there were bread riots~~ in many places where no industrial improvements were being made. The average price of corn during the twenty-five years which terminated with the Battle of Waterloo was very high, and there were not a few periods which might be rightly described as times of famine. This state of affairs, which contributed so much to the distress of the transition, was to some extent a result of the Industrial Revolution. Apprenticeship, and the difficulty of finding an opening to start as a domestic worker had been a barrier to early marriage, but this was broken down; there was ample opportunity for obtaining houses near the factories, and the war on cottages no longer served to check the establishment of new households. As early as 1792, attention was called to the way in which the development of industrial employment, along with other causes, had given rise to a fresh demand for the means of subsistence¹. The great increase of the cotton manufacture, and the rise of new towns, where the spinners and weavers lived, reacted on agricultural enterprise, the demand for food was greater than ever before²; and as active efforts had been

¹ The relation of these phenomena had been admirably stated in anticipation by Sir J. Steuart. *Works*, i. 155. The influence of commerce and artificial wants in promoting the growth of population is very clearly put by Caldwell, *Enquiry*, in *Debates*, 747 (1766), and still earlier by William Temple, a clothier of Trowbridge, in his *Vindication of Commerce and the Arts* (1758), pp. 6, 20, 74. He criticises W. Bell, whose *Dissertation on Populousness* (1756), p. 9, had advocated the development of agriculture as the best expedient for bringing about an increase of population; this essay, which obtained a Member's Prize at Cambridge, achieved some celebrity, and was translated into German by the Economic Society of Berne (*Kleine Schriften*, 1763). Temple's *Vindication* was published under the pseudonym I. B., M.D.; see Brit. Mus. 1029. c. 9 (16), (McCulloch, *Select Tracts on Commerce*, p. xii); I feel confident that he was also the author of the anonymous tract *Considerations on Taxes as they are supposed to affect the price of labour in our manufactories*, subsequently enlarged into an *Essay on Trade and Commerce* (1770), Brit. Mus. 1189. i. 4; the arguments of the *Vindication* are reproduced, and there is a similarity in style and arrangement. This is confirmed by an examination of the amusing autograph MS. notes in Temple's copy of *A View of the Internal Policy of Great Britain*, 1764 (Brit. Mus. 1250. a. 44). Temple also wrote a refutation of part of Smith's *Chronicon Rusticum*, as I gather from Smith's reply, *Case of English Farmer* (Brit. Mus. 104. m. 27).

² Governor Pownall "entered into an explanation of the actual state of the supply and consumption of the kingdom; and shewed that the present difficulties did not arise from any scarcity; that there was as much, if not more corn grown than formerly; but, from the different circumstances of the country, the consumption was considerably more than the supply; and that this disproportion

made to meet these requirements¹, by facilitating the import-
 ation of food, opportunity was given for a further growth of
 numbers. It was obvious that population was increasing on
 every side; and the anxiety, which had been felt in regard to
 the alleged decrease in the number of the people and inability
 to maintain our naval and military position², was seen to be
 groundless. According to Chalmers' *Estimate*³, there was an
 addition to the population of 2,830,000 in the years between
 1689 and 1801; and this would, on the ordinary reckoning,
 necessitate an additional annual supply of nearly three million
 quarters of grain⁴. But it was held that the demands of the
 public had increased more rapidly than the numbers, as it
 was believed that habits of luxury and wastefulness⁵, which
 had come into vogue, made still larger quantities requisite.

During the Revolutionary and Napoleonic wars there
 was no serious alarm about the numbers of men, but the very
 gravest anxiety was felt as to the supply of food. England
 was far better provided, than ever before, with the means of
 victualling her navy; the development of stock-breeding, on

arose from the late immense increase of manufacturers and shopkeepers, the
 prodigious extent of our commerce, the number of people employed by Government
 as soldiers, sailors, collectors of revenue, &c., &c., and also the prodigious number
 of people who live upon the interests of the funds; also the great increase of the
 capital, the manufacturing and seaport towns; that the surplus which we used to
 produce was about 1-36th part of the whole growth; and that anyone might
 consider, whether the number of people he had mentioned were not more than one
 36th of the whole people; and that therefore the real fact was, we had no longer
 a surplus." *Parl. Hist.* xvii. p. 476.

¹ The severe distress which was experienced in the winter of 1782-3 was
 referred to in the King's Speech as requiring the "instant interposition" of
 Parliament (*Parl. Hist.* xxiii. 209). A Committee was appointed which heard a
 considerable amount of evidence, and recommended modifications in the arrange-
 ments for the external trade in corn. *Reports*, ix. 27, 34. See below, p. 726.

² Dr Richard Price, in his *Essay on the Population of England* (1780), argued
 that population was decreasing, and adduced interesting statistical arguments in
 support of his view; but the Rev. J. Howlett showed (*An Examination of
 Dr Price's Essay* (1781), p. 80) that his reasoning was illusory. Cf. also W. Wales,
Inquiry (1781), pp. 35, 67. At the same time, the opinion that there was a serious
 danger to the country from an insufficient population, was commonly held and
 found frequent expression; as in the speeches of Chatham or Shelburne, on the
 anxiety about defence at home caused by the loss of men in the American War
 (*Parl. Hist.* xix. 599; xxi. 1036). The success achieved by Malthus, in investi-
 gating the doctrine of population, is most easily measured, when we read such
 speeches; they were impossible after the *Essay on Population* had made its mark.

³ Chalmers' *Estimate* (1804), p. 221.

⁴ *Ib.* 815.

⁵ *Ib.* 816.

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great
pains were
taken to
manage the
supply of
corn to
advantage,

the lines suggested by Mr Bakewell, had been widespread, and sheep and cattle were raised for the sake of the carcase¹, rather than for the wool or for draught. Some complaint was made that this form of pasture farming was pursued at the expense of tillage; but the increase of cattle-breeding was chiefly due to the careful cultivation of turnips, and the farmer really had an additional inducement to improve his system of cultivation. Still, though the supply of butchers' meat was enlarged, there was very serious difficulty in meeting the increasing demand within the country for cereals; and one Committee of the House of Commons after another² investigated the prospects of the harvest, and advised on the best means of providing for the population. An elaborate system of registration had been devised³, by which information could be obtained as to the price and probable stocks of grain throughout the country, and the problem was faced,

¹ Sir John Sinclair wrote in 1796: "The difference between the size of cattle and sheep now, and in the reign of Queen Anne, when half the stock of the kingdom were fed on Commons, is hardly to be credited. In 1710, the cattle and sheep sold at Smithfield Market, weighed, at an average, as follows:—Beeves, 870 lb.; Calves, 50 lb.; Sheep, 28 lb.; Lambs, 18 lb. Now it may be stated, Beeves, 800 lb.; Calves, 143 lb.; Sheep, 80 lb.; and Lambs, 50 lb. The increase is principally, if not solely, to be attributed to the improvements which have been effected within these last 60 years, and the feeding of our young stock, in good inclosed pastures, instead of wastes and commons." *Reports*, ix. p. 204, note.

² 1774. A Committee to consider the methods practised in making flour from wheat. 1788. A Committee to take the Act for regulating and ascertaining the Importation and Exportation of grain...into consideration (two reports). 1795. Select Committee to take into consideration the present High Price of Corn (five reports). 1800. Committee to consider means of rendering more effectual the Act for better regulating the Assize of bread (two reports). Committee to consider the present High Price of Provisions (six reports). 1801. Committee appointed to consider of the present high price of provisions (seven reports). There was besides, a Committee on the corn trade between England and Ireland, in 1802, and Committees on the improvement and enclosure of waste, unenclosed and unproductive lands, in 1796, 1797 and 1800. The reports of these Committees will be found in the reprints of the *Reports of the Committees of the House of Commons* (1803), ix.

³ The duty on importation which had been imposed under Charles II. (22 C. II. c. 13) varied, according as English corn was being sold above or below a definite price. According to 1 James II. c. 19, the justices of each county were to certify the "common market price of middling English corn." The necessity of knowing the price of corn for fiscal purposes led to several changes in administrative machinery (2 Geo. II. c. 18; 14 Geo. III. c. 64). A system of registration of the price of corn at the different markets was instituted in 1769 (10 Geo. III. c. 39); a paid inspector for London was appointed in 1781 (21 Geo. III. c. 50), and ten inspectors were instituted for the maritime counties in 1789. 29 Geo. III. c. 58.

under parliamentary control, in much the same spirit in which it had been dealt with by the Commissioners of Grain and Victuals¹ and the Clerks of the Market, under Elizabeth and the earlier Stuarts². A.D. 1776
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Since 1773, when additional facilities had been given for the importation of corn³, England had been becoming more and more dependent on regular supplies from abroad; in years when the crops at home were short, it was obviously wise to try and make up the deficiency by procuring grain from other European countries, from the United States⁴ or even from India. There was some discussion in 1795 as to and to
encourage
the im-
portation

¹ See above, pp. 86 and 96. In March 1801, the Committee on the High Price of Provisions report that they "have received information respecting the situation of certain parts of the country, namely, about Braintree, Bocking, Halstead, and Coggeshall, in the county of Essex; the parish of Foleshill near Coventry; and the townships of Dewsbury, Ossett, Ovenden, Clayton, and Northowram, in the West Riding of the county of York; to which they feel it indispensable to call the serious attention of the House. From the extreme dearness of Provisions, combined with the temporary and partial interruption of some branches of Manufacture, the pressure upon the above-mentioned places is become so great as to require immediate relief, beyond what their own means are in the present moment capable of affording." *Reports*, ix. p. 188.

² Compare also the Lord Keeper's letter to the Worcestershire Justices. Willis Bund, *Worcestershire County Records*, 398. ³ See below, p. 724.

⁴ The stocks in all these areas were discussed by the same Committee in December 1800. They say, "Setting aside, for the present, the consideration of the further supply of Grain which may be received from Europe, the first Object to which Your Committee will advert, is, the Importation from the United States of America. There is a peculiar advantage attending the supply from this quarter, that some part of it may be expected to arrive during the next month, and will continue during that period of the year when the importation from Europe is usually interrupted by the frost. The harvest in Canada is stated to have been abundant, and an Importation may be expected from that country, amounting at least to 80,000 quarters. In addition to this supply of Wheat and Flour, a considerable quantity of Rice may be drawn from different parts of the World. From the Southern States of North America, Your Committee are informed that a supply may be obtained of 70,000 barrels (each weighing 5 cwt.), of which a part will probably arrive in January, and the remainder successively in the ensuing months.

"From India, a much larger quantity may ultimately be expected; but, as little, if any, of what may be obtained from thence by the means of ships which have sailed from this country, can arrive before the beginning of October 1801, Your Committee have confined their estimate, in this view of the subject, to that part which may be sent from India in country or neutral ships, in consequence of orders dispatched from hence in September last: This has been stated at from 7,000 to 10,000 tons (equal from 28,000 to 40,000 barrels of 5 cwt. each). The latter quantity is represented as the most probable of the two; and if sufficient shipping should be disengaged in India, it may rise to a much greater amount. It seems therefore not unreasonable to expect from that quarter, in the months of

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*of food
from
abroad,*

the relative advantage of organised import on the part of the government¹, or of leaving the matter in the hands of private traders acting under the stimulus of a bounty², and it is needless to say that the latter course was preferred. At the same time, attention was given to the possibility of introducing rice³, maize⁴, or other food stuffs from abroad, and to

August and September, about 85,000 barrels; which, added to the importation from America, will amount to 105,000 barrels." *Reports*, ix. p. 126.

¹ The Committee in 1795 "proceeded to enquire what measures, in the judgment of these persons, afforded the best probability of obtaining such a supply. They thought it right to bring distinctly under their consideration the alternative of leaving the whole care of such purchases to the Executive Government, who would (it was conceived) be in such case the only purchasers, and be publicly known to be so; or of leaving the same to the speculation of individual merchants, encouraged by a liberal bounty on importation, and by a public declaration on the part of Government (as soon as such declaration shall be practicable) of the quantity which they may then have at their disposal, in consequence of former orders, and of their intention to give no further orders for the purchase of Corn, and to sell what may have been procured in limited quantities, and at the market price. It appeared to Your Committee to be the preponderant opinion amongst those persons to whom this alternative was stated, that, upon the whole, the restoration of the trade in Corn to its natural channel, with the additional encouragement of a bounty, was the most eligible mode of endeavouring to procure from foreign parts, such supplies as those markets might be found able to furnish. Your Committee were further confirmed in this opinion by the information they received from some of their Members, that there were merchants who had stated to them their readiness, under those circumstances, to engage in speculations to a large extent. After a full consideration and discussion of this important point, Your Committee were of opinion, 'That it was expedient for the Executive Government to desist from making any further purchases of Corn; and that a bounty should be granted upon the importation of certain sorts of Grain into this country, for the encouragement of private speculation'." *Reports*, ix. p. 45.

² The payments were considerable, and at least brought temporary relief. The Committee on Waste Lands point out "that the bounties paid on grain imported for one year ending 5th of January 1797, amounted to no less a sum than £573,418. 4s. 9d., a sum borrowed under all the disadvantages of raising money in time of war....It is impossible here not to remark an unfortunate prejudice which exists, regarding the expenditure of any part of the public income in promoting the improvement of the country. The sum above-mentioned was paid out of the public treasury by bounty or premium on foreign Corn imported. Had any person proposed to lay out that sum, or even one year's interest thereof, in promoting cultivation at home, in defraying the expence of private Acts of Inclosure, or removing other obstacles to improvement, it would have been considered an extraordinary proposition, hardly entitled to serious consideration. But let that money be sent out of the country, or let it be expended in promoting foreign agriculture and extraneous improvements, and it is immediately held forth as a wise and provident application of the treasure of the Public." *Reports*, ix. p. 224.

³ *Reports*, ix. 92.

⁴ "The Importation of Indian Corn has also been encouraged by the prospect of a liberal bounty. The excellence of that grain, as the food of man, cannot be

the cultivation of potatoes at home¹, while every pains was taken to prevent any waste in the use of grain of any sort². Distillers were obliged to stop working, and the manufacture of starch was checked³, while recommendations were issued⁴, and apparently acted on to some extent, as to the duty of the

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and to discourage waste.

doubted, as it forms the chief subsistence of the southern part of the United States of America. The use of it here has however been hitherto so little known, that it is difficult to estimate either what quantity may be expected, or in what proportion it may be introduced into the consumption of this country; but as it is also applicable, with the greatest advantage, to the food of cattle, hogs, and poultry, it cannot fail to operate, either directly or indirectly, as a valuable addition to the general stock of Grain." *Reports*, ix. 126.

¹ The Committee on the High Price of Provisions resolved in Feb. 1801,

"That it is the opinion of this Committee, That that part of the United Kingdom called Great Britain be divided into Twelve Districts; and that Premiums, not exceeding in the whole the sum of £12,000 be offered for the cultivation of Potatoes by Proprietors and Occupiers of land, not being Cottagers.

That it is the opinion of this Committee, That Premiums to the amount of £18,000 be offered for the encouragement of the culture of Potatoes by Cottagers in England and Wales, to be distributed in sums not exceeding £20, for each district or division in which Magistrates act at their Petty Sessions in their several counties; and that such Day Labourer, Artificer, or Manufacturer, being a Cottager in each of the said districts or divisions, who shall raise on land in his occupation in the present year, the largest average crop of Potatoes per perch:—

In not less than 12 square perch of land	£10
To the second largest crop on do.	£6
To the third largest crop on do.	£4."

Reports, ix. p. 182.

² "Your Committee have heard, with very great concern, that from the mistaken application of the charity of individuals, in some parts of the country, Flour and Bread have been delivered to the poor at a reduced price; a practice which may contribute very considerably to increase the inconveniences arising from the deficiency of the last crop: And they recommend that all charity and parochial relief should be given, as far as is practicable, in any other articles except Bread, Flour, and Money, and that the part of it which is necessary for the sustenance of the poor, should be distributed in soups, rice, potatoes, or other substitutes. Your Committee are of opinion, that if this regulation was generally adopted, it would not only, in a very great degree, contribute to economize at this time the consumption of Flour, but that it might have the effect of gradually introducing into use, a more wholesome and nutritious species of food than that to which the poor are at present accustomed." *Reports*, ix. p. 68.

³ 41 G. III. c. 8. The Committee anticipated the following results from this measure, "The quantity of Wheat which will be saved for Food by the prohibition of the manufacture of Starch from that Grain, will be about 40,000 quarters. In consequence of the stoppage of the Distilleries, at least 500,000 quarters of Barley, which would have been consumed in that manufacture, will remain applicable to the subsistence of the People; but as it may be supposed that eleven bushels of Barley are not more than equivalent to one quarter of Wheat, this can only be stated at 360,000 quarters." *Reports*, ix. p. 126.

⁴ The King, in answer to an address on the subject from the two Houses of Parliament, issued a proclamation "most earnestly exhorting and charging all

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rich to exercise economy in their households¹. But such measures were regarded as special and temporary methods of dealing with the distress, and it was generally felt that the only real cure lay in making the most of the English soil. Each experience of temporary distress gave a stimulus to the

those of Our loving subjects who have the means of procuring other Articles of Food than Corn, as they tender their own immediate interests, and feel for the Wants of others to practise the greatest Economy and Frugality in the Use of every species of Grain; and We do, for this Purpose, more particularly exhort and charge, all Masters of Families to reduce the Consumption of Bread in their respective Families, by at least One Third of the Quantity consumed in ordinary Times, and in no case to suffer the same to exceed One Quarter Loaf for each Person in each Week; to abstain from the Use of Flour in Pastry, and, moreover, carefully to restrict the Use thereof in all other Articles than Bread; And do also, in like Manner, exhort and charge all Persons, who keep Horses, especially Horses for Pleasure, as far as their respective circumstances will admit, carefully to restrict the Consumption of Oats and other Grain for the Subsistence of the same." 8 December, 1800 [Brit. Mus. 1851. d. 2 (2)]. Compare also *Reports*, ix. 126.

¹ The Committee of 1795 considered the possibility of sumptuary legislation on the lines of the Assize of Bread, but discarded it as they entertained "great hopes, that without applying this principle to the present case, the general impression produced by the late distress, and continued by the present scarcity, will incline men of all descriptions to unite voluntarily in the only measure which can give effectual and immediate relief; and they conceive that if this House should give to such a measure the sanction of its example and recommendation, there could be little doubt of its being immediately adopted by a proportion of the community sufficiently numerous to secure the attainment of the object in view.

"Your Committee beg leave to submit this suggestion for the wisdom of the House; and they hope it will not be thought beyond the line of their duty, if upon an occasion so urgent in point of time, they presume also to suggest the principal points which such an engagement ought, in their humble opinion, to embrace. To reduce the consumption of Wheat in the families of the persons subscribing such engagement, by at least one-third of the usual quantity consumed in ordinary times.

"In order to effect this purpose, either to limit to that extent the quantity of fine Wheat Bread consumed by each individual in such families; Or, to consume only mixed Bread, of which not more than two-thirds shall be made of Wheat; Or, only a proportional quantity of mixed Bread, of which more than two-thirds is made of Wheat; Or, a proportional quantity of Bread made of Wheat alone, from which no more than five pounds of Bran is excluded.

"If it should be necessary, in order to effect the purpose of this engagement, to prohibit the use of Wheat Flour in pastry, and to diminish, as much as possible, the use thereof in other articles than Bread.

"By one or more of these measures, or by any other which may be found equally effectual, and more expedient and practicable, in the respective situations of persons subscribing to ensure to the utmost of their power the reduction above mentioned.

"This engagement to continue in force until fourteen days after the next Session of Parliament, unless the average price of Wheat shall, before that time, be reduced to an amount to be specified." *Third Report*, in *Reports*, ix. p. 54.

efforts of public spirited and philanthropic men to remove all obstacles to the increase of the area of tillage. A.D. 1776
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261. There were improvers who saw with alarm that the readiness to rely on imported corn was a hindrance to the development of our own agriculture to its highest capacity, and viewed this trade with regret¹; and a general consensus of opinion had been reached as to the necessity of doing away with the wasteful methods of cultivation in common fields, and facilitating the enclosure of land. The Board of Agriculture, under the presidency of Sir John Sinclair, moved earnestly in the matter, and it was fully discussed by Committees of the House of Commons in 1795, 1797 and 1800. The chief obstacle to carrying out this improvement lay in the heavy expenses, parliamentary and legal, which had to be borne, as well as the costs of obtaining surveys and erecting fences. It appeared that if a General Enclosure Act were passed, it would cause a considerable saving in the outlay involved². *With the view of increasing the home production of corn,*

enclosure was pushed on, This would be an encouragement to proprietors to proceed with schemes of the kind; while it was also believed that, if the expenses were reduced, the real gain, which sometimes accrued to the cottagers³, would be more generally realised.

¹ The Committee of 1797 on the Cultivation of Waste lands endorsed the view that "nothing can more clearly exemplify the advantages resulting from agricultural industry, than the flourishing state of this country, for many years posterior to the Revolution; during which period, with but few exceptions, considerable quantities of Corn were annually exported. By means of that exportation, large sums were brought into the kingdom, yet the price was steady and uniform, and in general rather low than otherwise. The farmer, however, was satisfied, because he considered himself under the special protection of the legislature, and had a reasonable prospect of having his industry rewarded. But since importation has been relied on, the consequences have been of a very opposite nature. The prices have been often high, and always unsteady. High prices occasion public discontent. With unsteady prices, it is impossible for the landlord to know what he ought to demand, nor the tenant what rent he ought to pay. To persons of small or even moderate incomes, also, such a circumstance is extremely injurious. When prices are high, they can scarcely procure for themselves and their families a sufficient supply of wholesome provisions; when low, they are too apt to run into a system of expence, which it is not easy afterwards to relinquish; whereas, when the price is steady and uniform, they can make their expenditure tally with their income. The system therefore of encouraging agriculture, and promoting the exportation of a surplus on ordinary occasions, which in unfavourable seasons can be retained at home, is the only mode of securing the comfortable subsistence of the great body of the people." *Reports*, ix. pp. 224-5.

² *Reports*, ix. 280.

³ Davis, *Oxford Report*, quoted in *Reports*, ix. 204 n.

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*is the belief
that the
whole rural
population
would be
benefited,*

"It is impossible," said Sir J. Sinclair, "to suppose that the Poor should be injured by that circumstance, which secures to them a good market for their labour (in which the real riches of a Cottager consists) which will furnish them with the means of constant employment, and by which the Farmer will be enabled to pay them better wages than before. If a general Bill for the improvement of Waste Lands were to be passed, every possible attention to the rights of the Commoners would necessarily be paid; and as inclosures, it is to be hoped, will, in future, be conducted on less expensive principles than heretofore, the Poor evidently stand a better chance than ever of having their full share, undiminished. Some regulations also must be inserted in the Bill, to secure the accommodations they may have occasion for, by enlarging, where circumstances will admit it, the gardens annexed to their respective cottages, giving them a decided preference with respect to locality over the larger rights; throwing the burden of ring fences upon the larger Commoners, and allotting, where it is necessary, a certain portion of the Common for the special purpose of providing them with fuel; and thus the smallest proprietor will in one respect be obviously benefited, for any portion of ground, however inconsiderable, planted with furze or quick growing wood, and dedicated to that purpose solely, would, under proper regulations, be as productive of fuel, as ten times the space where no order or regularity is observed. If by such means the interests of the Cottagers are properly attended to, if their rights are preserved, or an ample compensation given for them; if their situation is in every respect to be ameliorated, it is hoped that the legislature will judge it proper and expedient, to take such measures as may be the best calculated for bringing into culture so large a portion of its territory, though it may not accord with the prejudices of any particular description of persons, whose objections evidently originate from the apprehension, rather than the certainty of injury, and who will consider it as the greatest favour that can be conferred upon them, when the measure is thoroughly understood¹."

¹ Reports, ix. p. 204

In accordance with these views a *General Enclosure Act*¹ A.D. 1776—1850. was passed in 1801; the work of breaking up the common fields and utilising the common waste for tillage went on rapidly in all parts of the country, but the anticipations of the expert as to the boon which would be conferred were not realised. The social effects of the change, in practically extinguishing the class of small farmers and introducing a body of tenants who worked large holdings, have been already considered²; it is necessary, however, to look at the results of the movement as it affected the cottagers and labourers.

As one consequence of the change the labourer became more entirely dependent on the wages he earned from his employer than had formerly been the case. In some cases, cottagers, who had no legal rights, had encroached upon the waste, and the owners had connived at the practice, and allowed them to keep a cow³, and to take a little fuel⁴. But when the common waste and common fields were alike enclosed, there was no longer any opportunity for the labourer to exercise such privileges and add to the family resources. Even those labourers who had legal rights of this kind, of which the commissioners could take account, were seriously injured by enclosure⁵. The capitalised value of pasture rights was exceedingly small, and the scrap of land, allotted to a cottager, might be of little use to him, either as garden ground or for keeping a cow⁶. When judiciously assigned⁷, allotments were most beneficial, as was shown by the evidence collected in 1843⁸; but those who urged that distress in rural districts should be systematically dealt with on this plan⁹, failed to get a hearing¹⁰.

¹ 41 Geo. III. c. 109.

² See above, p. 558.

³ *General Report on Enclosures drawn up by order of the Board of Agriculture* (1806), p. 12. Brit. Mus. 988. g. 14.

⁴ *Ib.* p. 160.

⁵ A summary of the facts will be found in the *General Report of Enclosures drawn up by order of the Board of Agriculture* (1806), App. iv. p. 150.

⁶ A commissioner of enclosures, in looking back on the effects of twenty enclosures in which he had taken part, "lamented that he had been accessory to injuring two thousand poor people at the rate of twenty families per parish." *Annals*, xxxvi. 516.

⁷ For some unsuccessful experiments see p. 667, n. 2, above.

⁸ For the experience of the Labourers Friend Society compare 3 *Hansard* LXVIII. 191, also *Reports* 1843, vii.

⁹ The practical difficulties, both administrative and technical, were considerable. See pp. 714 n. and 744 n. below.

¹⁰ 3 *Hansard*, LXVIII. 857.

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Generally
speaking
the
labourer

Arthur Young, who had done so much in advocating enclosure, was greatly distressed to find that the labourers had suffered so severely. He set himself to collect evidence¹ on this special point in 1800, and found that out of thirty-seven enclosed parishes for which he had full details, there were only twelve in which the labourers had not been injured. From the fact that there were twelve, he rightly argues that it was possible to carry out enclosure, and to obtain all the national benefit which it afforded, without perpetrating such injustice on the poor; but he urges that in all future acts of enclosure special care should be taken to insert clauses which would adequately protect the labourer in his accustomed privileges². Even if this had been attended to most strictly,

¹ *Annals*, xxxvi. 513.

² Sir G. Paul urged (*General Report on Enclosures*, p. 19) that it was possible to do much to replace the labourer in his old position by granting allotments. Investigation as to different parts of the country showed that the pauperism was much worse in some districts than in others; and a comparison of different parishes served to bring out the fact that where the labourers had land of their own to work, they were much less likely to lose the spirit of independence; see especially Mr Gourlay's long paper on the Lincolnshire cottagers in the *Annals*, xxxvii. 514; Arthur Young seems to have believed that the general formation of suitable allotments would enable the labourers to maintain themselves. The desire of doing so would render them diligent and independent, while even the prospect of sooner or later obtaining such a cottage and allotment would give the labourer a prospect in life which would have a beneficial effect. It was however a *sine qua non* with Arthur Young that these allotments should be forfeited by men who became dependent on the rates (*Annals*, xxxvi. 641, and still more strongly xli. p. 214), as he desired to make them the means of encouraging independence and not merely a method of relieving the poor. Arthur Young was of course aware that many Irish cottiers and French peasants led a miserable existence, despite the fact that they had little farms of their own. He was clear that the labourers' allotments should be of such a size that they could be really made to answer, and he therefore desired that the allotments should be rented. After his experience of the French peasantry he would not dare to trust the English labourer with the fee simple of the land, as he feared that this would inevitably lead to subdivision. This has not been sufficiently taken into account by those who have quoted his phrases about the 'magic of property,' and represented him as approving of a peasant proprietary. He advocated a system by which the peasantry might have the opportunity of using land on their own account, but he thought it was undesirable that they should own it. His remarks coincide in many points with those of Sir James Stuart (*Works*, i. p. 112).

It was by no means easy to lay down in general terms the size and nature of the allotment which would be really satisfactory. In the grazing counties, it was proposed to assign the labourer a garden, and enough grass for a cow. A poor family

however, the labourers' condition was changed for the worse A.D. 1776
—1850. by the extinction of small farms; in the old days there had always been a possibility that he might become an independent farmer, but he was practically precluded from obtaining such capital as was requisite for working a large farm. He was thus cut off from any hope of bettering himself, or becoming his own master; through the progress of enclosure he was rendered entirely dependent on his wages as a labourer¹, and at the same time he was deprived of any prospect of ever being more than a wage-earner, and of attaining an improved status. and was
deprived of
the hope of
rising in
the world.

262. At the very time when the rural labourer was

which could keep a cow was as well off as if they had five or six shillings of parish allowance (*Annals*, xxxvi. 510); and Arthur Young's idea of suitable land seems always to have been such land as would enable them to keep one cow, or at all events some sort of stock (*ib.* 541). Sir John Sinclair discusses how this might be managed in connection with arable allotments, and in counties where little or no grazing land was available (*ib.* xxxvii. 282), and he lays down the following principles (*ib.* 233).

"1st. That the cottager shall raise by his own labour some of the most material articles of subsistence for himself and his family.

"2nd. That he shall be enabled to supply the adjoining markets with the smaller agricultural productions; and

"3rd. That both he and his family shall have it in their power to assist the neighbouring farmers, at all seasons of the year, almost equally as well as if they had no land in their occupation."

The last of these touches on the crucial difficulty. If the labourers' allotments demanded more than 'the leisure hour horticulture' (*Annals*, xxxvi. 352), it would interfere with the labourers' employment and consequently with his wages. The problem therefore of providing suitable allotments was of this kind,—that the labourer should have so much land as would enable him to keep a cow, but not enough to interfere with his ordinary work for an employer. There was a very general feeling, at the beginning of this century, that this problem did not present insuperable difficulties; but it is obviously one which is not capable of solution in general terms by such a formula as 'three acres and a cow.' A good deal of attention was given to this mode of affording assistance to cottagers, but it may be doubted how far it produced the improvement that Arthur Young had hoped for, as those who received allotments were not thereby excluded from participation in poor relief. On the other hand, there were many economists who were inclined to condemn the arrangement, as they held that such assistance would, like parish allowances, lower the rate of wages; while Malthus and his followers regarded it as an inadequate solution of the recurring problem presented by the pressure of population. See below, p. 743 n. 2. I am inclined to believe that these doctrinaire criticisms prevented the scheme from being so generally tried as might have been desirable. Had it been more generally adopted, and subsistence-cultivation re-introduced even to a small extent, the fall of prices in 1815 could surely not have been attended by such distress, and there would have been less excuse for an expedient like the Corn Law of that year.

¹ See p. 723 below.

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*It appeared
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becoming dependent upon his earnings, it was notorious that his wages were insufficient for the maintenance of himself and his family. The policy of a living wage, for which the cotton weavers vainly contended in 1813, had found many advocates in the rural districts in the preceding decade; there was a very general feeling in favour of reintroducing the practice of assessing wages in accordance with the price of corn¹, and it seems to have been generally, if not universally agreed, that this was the fair principle on which to proceed². There was, however, a great difference of opinion as to whether this should be done by authority, or whether it could be brought about in the ordinary course of bargaining between employers and employed. Arthur Young's correspondents were of opinion that the law would be inoperative. It was urged that the inefficient labourers, if they had to be paid the full wages appointed by law, would find no employment at all³. Others feared that such a measure would cut down the earnings of all to the same level, and thus discourage the more industrious men⁴. Besides this, it was clear that wages were rising, slowly but surely, and this gave some reason for hoping that they would reach a level which would serve to maintain the labourer in comfort, without legislative interference⁵. On the other hand, it was argued that "to expect that the farmers and other employers of the poor should generously come forward, and of their own accord vary and increase the wages of their workmen, in exact proportion to their varying and increasing necessities, is utterly hopeless; they will no more do it than they would make good roads without the aid of turnpikes, or the prescription of statutes enforced by the magistrates, though both one and the other would be often really and truly their interest⁶." The Suffolk justices petitioned in favour of a legislative regulation of

¹ Davies, *Case of Labourers*, 106; also Pownall, *Considerations on Scarcity*, reprinted from *Cambridge Chronicle*, 1795.

² Mr Howlett, whose opinion was worthy of great respect, held that corn did not form such a predominating element in the labourers' expenditure that wages should be regulated by it alone. He was however strongly of opinion that the labourer's income should be regulated by law on the basis of the food, fuel, and clothing necessary for a family in each district. *Annals*, xxv. 604, 612.

³ *Annals*, xxv. 618; xxxvi. 270.

⁴ *Ib.* xxv. 502, 626.

⁵ *Annals*, xxv. 565.

⁶ *Ib.* xxv. 612.

wages, and Arthur Young appears himself to have inclined to approve this policy¹. On the whole it appears that this

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¹ 7b. 640. There was no more interesting argument in support of the proposal, however, than that of the Norfolk labourers who held a meeting in Heacham church (Nov. 5, 1795) "in order to take into consideration the best and most peaceable mode of obtaining a redress of all the severe and peculiar hardships under which they have for many years so patiently suffered. The following resolutions were unanimously agreed to:—

"1st. The labourer is worthy of his hire, and that the mode of lessening his distresses, as hath lately been the fashion, by selling him flour under the market price, thereby rendering him an object of a parish rate, is not only an indecent insult on his lowly and humble situation (in itself sufficiently mortifying from his degrading dependence on the caprice of his employer), but a fallacious mode of relief, and every way inadequate to a radical redress of the manifold distresses of his calamitous state.

"2nd. That the price of labour should, at all times, be proportioned to the price of wheat, which should invariably be regulated by the average price of that necessary article of life; and that the price of labour, as specified in the annexed plan, is not only well calculated to make the labourer happy without being injurious to the farmer, but it appears to us the only rational means of securing the permanent happiness of this valuable and useful class of men, and, if adopted in its full extent, will have an immediate and powerful effect in reducing, if it does not entirely annihilate, that disgraceful and enormous tax on the public—the POOR RATE.

"Plan of the Price of Labour proportionate to the Price of Wheat.

When wheat shall be

£14 per last,	the price of labour shall be 14d. per day.	
£16	"	16d.
£18	"	18d.
£20	"	20d.
£22	"	22d.
£24	"	2/-
£26	"	2/2
£28	"	2/4
£30	"	2/6
£32	"	2/8
£34	"	2/10
£36	"	3/-

And so on, according to this proportion.

"3rd. That a petition to Parliament to regulate the price of labour, conformable to the above plan, be immediately adopted; and that the day labourers throughout the county be invited to associate and co-operate in this necessary application to Parliament, as a peaceable, legal, and probable mode of obtaining relief; and in doing this, no time should be lost, as the petition must be presented before the 29th of January, 1796.

"4th. That one shilling shall be paid into the hands of the treasurer by every labourer, in order to defray the expenses of advertising, attending on meetings, and paying counsel to support their petition in Parliament.

"5th. That as soon as the sense of the day labourers of this county, or a majority of them, shall be made known to the clerk of the meeting, a general meeting shall be appointed, in some central town, in order to agree upon the best and easiest mode of getting the petition signed; when it will be requested that one labourer, properly instructed, may be deputed to represent two or three

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measure, which was advocated in more than one session by Mr Whitbread¹, was generally considered impracticable; while there seemed to be a danger that it would deprive inefficient men of all employment and would depress the earnings of the more industrious men.

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There was very little prospect that effect would be given to this proposal after 1795, when a simpler expedient for amplifying the receipts of the rural labourers began to be adopted. Owing to the wool famine and the decay of spinning, the women and children were left without their usual employment, and the rural labourer was deprived of an important subsidiary source of family income. The evil was severe, but it was probably regarded as merely temporary; spinning had been plentiful and well paid at Reading in 1793², but it appears to have been very much less remunerative, and harder to get, in subsequent years, and there doubtless seemed to be good reasons for taking exceptional steps to tide over a period of bad trade, which might perhaps be of no long continuance. The Berkshire justices met in the Pelican Inn at Speenhamland to consider the situation, and agreed to the following resolutions: "1. That the present state of the poor does require further assistance than has generally been given them. 2. That it is not expedient for the magistrates to grant that assistance by regulating the wages of day labourers according to the directions of the statutes of the 5th Elizabeth and 1st James; but the magistrates very earnestly recommend to the farmers and others throughout the county, to increase the pay of their labourers in proportion to the present price of provisions; and agreeable thereto, the magistrates now present have unanimously resolved that they will, in their contiguous parishes, and to attend the above intended meeting with a list of all the labourers in the parishes he shall represent, and pay their respective subscriptions; and that the labourer, so deputed, shall be allowed two shillings and six pence a day for his time, and two shillings and six pence a day for his expenses.

"6th. That Adam Moore, clerk of the meeting, be directed to have the above resolutions, with the names of the farmers and labourers who have subscribed to and approved them, advertised in one Norwich and one London paper; when it is hoped that the above plan of a petition to Parliament will not only be approved and immediately adopted by the day labourers of this county, but by the day labourers of every county in the kingdom.

"7th. That all letters, *post paid*, addressed to Adam Moore, labourer, at Heacham, near Lynn, Norfolk, will be duly noticed." *Annals*, xxv. 504.

¹ *Parl. Hist.* xxxii. 700, xxxiv. 1428.

² *Annals of Agriculture*, xx. 179.

several divisions, make the following calculations and allowances, for the relief of all poor and industrious men, and their families, who, to the satisfaction of the justices of their parish, shall endeavour (as far as they can) for their own support and maintenance; that is to say, when the gallon loaf of seconds flour, weighing 8 lbs. 11 oz. shall cost 1s., then every poor and industrious man shall have for his own support 3s. weekly, either procured by his own, or his family's labour, or an allowance from the poor-rates; and for the support of his wife, and every other of his family, 1s. 6d. When the gallon loaf shall cost 1s. 6d., then every poor and industrious man shall have 4s. weekly for his own support, and 1s. 10d. for the support of every other of his family. And so in proportion, as the price of bread rises or falls (that is to say) 3d. to the man, and 1d. to every other of his family, on every 1d. which the loaf rises above 1s.¹ Occasional out-door relief had been given in many parishes, but these justices now made use of their powers under Gilbert's Act², to give it systematically, and to the able-bodied poor. The example they set was generally followed, and received legislative endorsement in the same year, as an Act was passed which rendered it possible for the overseers, in parishes which had not come under the provisions of Gilbert's Act, to pursue the same course, and gave the justices power to order the granting of out-door relief³. This practice must have tended to check the rise

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¹ Pashley, *Pauperism and Poor Laws* (1852), 258; compare also the table in *Annals of Agriculture*, xxv. 537, and see p. 765 below.

² 22 Geo. III. c. 83, § 82. See above, p. 578.

³ The Act of 1728 had given any parish power to establish houses for the poor, and to refuse all out-door relief to those who would not go into them, but this was amended in 1795, as it was "found to be inconvenient and oppressive, inasmuch as it often prevents an industrious poor person from receiving such occasional relief as is best suited to the peculiar case of such poor person, and inasmuch as in certain cases it holds out conditions of relief injurious to the comfort and domestic situation and happiness of such poor persons." The workhouse test was thus abolished under 36 Geo. III. c. 23. An effort appears to have been made to retain it in certain districts in the Eastern Counties, where Houses of Industry had been established (*Ib.* § 4) under private Acts of Parliament. Ruggles gives a very favourable account of these establishments and contrasts them with the ordinary poor-houses, *History of the Poor* (1797), 808, 824. He held that they were beneficial in every way, and could be so managed as to diminish rates (*Ib.* 833). But these parishes were unable to resist the tendency of giving out-door relief (*Ib.* 315) though they struggled against it. *Rules and Orders for regulating the meetings and proceedings of the Directors and for the better governing, regulating and*

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of wages which would naturally have followed in the circumstances of the times, from the increased area under tillage; in some districts an increase of money wages appears to have occurred in spite of it¹. No obvious opportunity of discontinuing this system arose, and what had been introduced as a temporary expedient became a permanent practice. Whatever excuse there may have been for adopting this course at first, its ultimate effects on rural society were most disastrous. By securing an income to all the labourers, it offered a direct encouragement to carelessness on the part of the men, so that the farmers complained they could not obtain efficient labour; while the remaining members of the community had a grievance, inasmuch as they contributed, through the rates, for the payment of services rendered to other people. Altogether this custom tended to degrade the character of the labouring class². The Committee which investigated the subject in 1824 went back to first principles in making their reports. "There are," they said, "but two motives by which men are induced to work: the one, the hope of improving the condition of themselves and their families; the other, the fear of punishment. The one is the principle of free labour, the other the principle of slave labour. The one produces industry, frugality, sobriety, family

employing the poor of the Hundreds of Loes and Wilford (1792), [Brit. Mus. C. T. 104 (8)], p. 8.

¹ Bowley, *Wages in the United Kingdom*, 39.

² The demoralising effects became apparent to one observer at least before it had been in operation many months (*Annals*, xxv. 634). "From what will follow, emulation and exertion will be totally destroyed; a man working extra hours, etc., not doing it for his own benefit, but that of the parish. This has been the effect of a plan recommended by our magistrates; which, notwithstanding, I cannot but highly approve, as founded on liberal principles, and perhaps as little exceptionable as anything which could have been adopted.

"The effect of this is, that an industrious fellow, who heretofore has earned his fourteen shillings per week, will now only earn the price of day labour (nine shillings); nor will I blame him, for extraordinary exertions should have extraordinary reward; nor can a man be expected to work over-hours for the relief of the poor-rates. Another effect is, those who work none, receive as much as those who do; but this we have remedied, by saying, a man having no debility ought to earn nine shillings. The profligate part of the women have destroyed or have no wheels, and say they cannot earn anything unless supplied by the parish. Our rates are thus risen to about three times their usual quantum, which makes the farmers highly dissatisfied. * * *

"To avoid this table, the parish are at this moment in the act of beginning a work-house; but, fortunately for the industrious poor, the bill for the relief of the poor in their own houses meets that oppression."

affection, and puts the labouring class in a friendly relation with the rest of the community; the other causes, as certainly, idleness, imprudence, vice, dissension, and places the master and the labourer in a perpetual state of jealousy and mistrust. Unfortunately, it is the tendency of the system of which we speak, to supersede the former of these principles, and introduce the latter. Subsistence is secured to all; to the idle as well as the industrious; to the profligate as well as the sober; and, as far as human interests are concerned, all inducement to obtain a good character is taken away. The effects have corresponded with the cause. Able-bodied men are found slovenly at their work, and dissolute in their hours of relaxation; a father is negligent of his children; the children do not think it necessary to contribute to the support of their parents; the employers and the employed are engaged in perpetual quarrels, and the pauper, always relieved, is always discontented; crime advances with increasing boldness, and the parts of the country where this system prevails are, in spite of our gaols and our laws, filled with poachers and thieves¹.”

This picture of the effects of the allowance system is sad enough; and it must be remembered that there were other influences at work which made for the disintegration of village life. The Industrial Revolution tended to diminish the opportunities for industrial, as distinguished from agricultural employment in rural districts². The concentration of spinning in villages, and later in factory towns, was one of the steps in the process by which the differentiation of town and country became complete. In old days³ a considerable number of trades were represented in each village, but in recent times the services of the village artisan are hardly required. Tiles and slates have taken the place of thatch, and the husbandman, who has skill as a thatcher, has fewer opportunities of adding to his income. The capitalist farmer in all probability prefers the goods, which he buys for less money at a distance, to the local wares; as a consequence there have come to be fewer by-occupations than before.

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decayed,

¹ *Reports, etc.* 1824, vi. 404.

² On the old state of affairs compare A. Young, *Annals*, xxxii. 220.

³ See above, pp. 502, 564. J. Cowper, *Essay proving that enclosing etc.*, p. 8.

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"Hitherto¹ the rude implements required for the cultivation of the soil, or the household utensils needed for the comfort of daily life, had been made at home. The farmer, his sons, and his servants, in the long winter evenings carved the wooden spoons, the platters, and the beechen bowls; plaited wicker baskets; fitted handles to the tools; cut willow teeth for rakes and harrows, and hardened them in the fire; fashioned ox-yokes and forks; twisted willows into the traces and other harness gear. Travelling carpenters visited farm-houses at rare intervals to perform those parts of work which needed their professional skill. The women plaited the straw for the neck-collars, stitched and stuffed sheepskin bags for the cart-saddle, wove the straw or hempen stirrups and halters, peeled the rushes for and made the candles. The spinning-wheel, the distaff, and the needle were never idle; coarse home-made cloth and linen supplied all wants; every farm-house had its brass brewing kettle....All the domestic industries by which cultivators of the soil increased their incomes, or escaped the necessity of selling their produce, were now supplanted by manufactures."

and the
tendency to
migrate
to towns
increased.

While by-employments were dying out, there was also a tendency for weavers and other craftsmen to migrate from the villages to the towns², and this would certainly affect the village prosperity by reducing the demand for its produce. The small manufacturing population created a demand on the spot; and articles could be sold which might not perhaps bear the expense of transport to the towns. It might appear that the villager would gain by the improvement in production and would pay less for his clothes³; but the double cost of carriage, of his produce to the town and his purchased cloth to the village, would diminish his receipts, and might enhance the price which he had formerly paid, so that his gain from this source would hardly be appreciable. This destruction of local demand was certainly an important matter,

¹ Prothero, *Pioneers*, 67. For an interesting picture of village life in Hampshire at a later date, see Thorold Rogers, *Six Centuries*, 502.

² This trend of the industrial population had been foreseen by Sir J. Stenart, *Works*, i. 113.

³ On the change in the habits of farm servants compare *Select Committee on Agriculture*, in *Reports*, 1833, v. questions 6174-7, 10824 f.

at the time when steam was superseding water-power. In the first days of the factory industry, there were many villages situated on a stream with sufficient force to drive a single mill, and village factories, as we may call them, flourished for some time in many places. When, however, improved machinery was introduced, they were no longer remunerative and had to be closed¹. Neither agriculture nor manufacture offered good employment in rural districts, and village life in all its aspects seemed to present a succession of pictures of misery and decay².

263. The increasing distress in the country, at a time when so much was being done to foster the landed interest, was a standing puzzle to the men of the time. The matter becomes easily explicable, however, when we bear in mind certain conditions of agricultural production, which were very imperfectly understood at the beginning of last century. The points will become clearer if we go back to a still earlier period in order to obtain a retrospect of the policy which had been pursued in regard to 'corn.'

The Act of 1689³, which allowed a bounty on exportation when the price of wheat fell below 48s. a quarter, was, by a general consensus of opinion, successful, both in maintaining prices at a steady level, and in giving a stimulus to English agriculture, during the first half of the eighteenth century⁴. In some succeeding years, however, the supply fell short, and it became necessary to introduce occasional measures both for suspending exportation and encouraging the import of grain. In 1772, Governor Pownall, while introducing a bill for the purpose of giving temporary relief, proposed a series

*The Corn
Law of
1689*

*was successful in
its double
object for
many
years;*

¹ One such mill, originally a paper mill (Nash, *Worcestershire*, 1782, II. 282) and subsequently a silk mill, existed at Overbury in Worcestershire. The proprietors were accustomed to get the work done almost entirely by apprentices, and their apprentices who had served their time and could obtain no employment were a serious evil in the villages.

² Compare the description of the rural population in Wakefield's *Swing unmasked*, 9, and *England and America*, I. 44.

³ See above, p. 541.

⁴ The Corn Bounty Act of 1689 had apparently served its purpose on the whole, for a considerable period (Thaer, *Beyträge*, II. 149—162). The measure had been framed "so as to prevent grain from being at any time either so dear that the poor cannot subsist, or so cheap that the farmer cannot live by growing of it." C. Smith, *Considerations on the Importation and Exportation of Corn* (1759), p. 72. Compare also Naudé, *Getreidehandelspolitik*, 117, and p. 711 n. 1, above.

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*that of
1773 was
intended*

*to secure
a food
supply,
either from
home or
abroad, at
a steady
price;*

of resolutions, which fundamentally changed the whole system of policy, in the hope that the constant tinkering, which had gone on in recent years, would no longer be necessary. His scheme, which was in its main features embodied in the Act of 1773¹, was an endeavour to keep the price of corn steady, at about 48s. the quarter, by giving facilities for importation duty free, when English corn was selling at a higher rate. As his speech explains, "the end proposed by this Bill is that of creating an influx of bread corn for home consumption, in case of internal scarcity; and an aid to our foreign trade in case of our not having a quantity of corn adequate to that important and beneficial commerce. This purpose is conducted under such regulations as shall prevent any interference with the landed interest. In other words (said he), if I may be permitted to use an allusion to natural operations, it means to introduce into our supply an additional stream, and to fix such a wear at such a height as shall always keep the internal supply equal, and no more than equal, to internal want, yet preserve a constant overflow for all the surplus, so as never on one hand to endanger the depression of the landed interest, nor on the other the loss of our foreign market for corn—by our not being able, as has been the case for several years past, to supply the demands of that foreign market—as it is hoped that this measure will be formed into a permanent law. It is meant by the provisions in the Bill formed for the carrying it into execution—that its operations may go on, as the state of things does actually and really require, not as the interests of designing men may wish and will them to go; that this commercial circulation of subsistence may flow through pools whose gates are to open and shut as the state of the droughts, and floods, and tides may require, not to consist of sluice-doors which are to be locked up and opened by the partial hands and will of men²."

This measure may be regarded as of the nature of a compromise; in so far as they accepted it, the representatives of each of the historic parties departed from the traditional policy which was associated with Whigs and Tories respectively. The Whigs, who had been eager to encourage

¹ 18 Geo. III. c. 43.

² *Parl. Hist.* xvii. pp. 477–478.

commerce in such a way as to stimulate employment, were accepting a measure that exposed the British agriculturist to foreign competition. The Tory, who had advocated foreign commerce in the interest of the consumer, looked askance at it, when it threatened to undersell his tenants in the home market. Like other compromises, the measure failed to satisfy any one, and it did not even answer the expectations of its author. Englishmen found that they could not count upon a steady stream from other countries, as the interruptions to commerce, and demands abroad, might render it impossible for merchants to supply the deficiencies caused by a poor harvest at home. In bad years the consumer suffered, while the foreign corn which was imported might be warehoused and increase the stock of corn, so that the English producer would find prices range very low in some ordinary years. The effort to maintain a steady price, partly from the home supply and partly from foreign sources, proved a failure; and in the last decade of the eighteenth century the most prominent agriculturists of the time demanded a return to the policy of stimulating home production. Sir John Sinclair argued that the passing of a general Inclosing Bill was "the first and most essential means of promoting the general improvement of the country; and the importance of that measure has not as yet perhaps been so distinctly stated as it deserves. In general, those who make any observations on the improvement of Land, reckon alone on the advantages which the landlord reaps from an increased income; whereas, in a national point of view, it is not the addition to the rent, but to the produce of the country, that is to be taken into consideration. It is for want of attending to this important distinction, that people are so insensible of the wonderful prosperity that must be the certain result of domestic improvement. They look at the rental merely, which, like the

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but Parliament reverted to the principle of promoting native production

¹ Arthur Young's protest against the changes introduced by the Act of 1773 on the ground that the price at which export was permitted should not be too low, was justified by events. He held that, with the increasing demand and increasing difficulties of production, the farmer in 1770 ought to be able to calculate on a higher price than he could look for in 1689, and that the legislature should endeavour to keep the price of corn as steadily as possible at this higher level. Parliament had attempted instead to make corn cheaper, with disastrous results, to the consumer in bad years, and to the producer in good ones (*Annals of Agriculture*, xli. p. 306).

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hide, is of little value, compared to the carcase that was inclosed in it. Besides, the produce is not the only circumstance to be considered: that produce, by the art of the manufacturer, may be made infinitely more valuable than it originally was. For instance: If Great Britain, by improving its wool, either in respect to quantity or quality, could add a million to the rent-rolls of the proprietors of the country, that, according to the common ideas upon the subject, is all the advantage that would be derived from the improvement: but that is far from being all, the additional income to the landlord could only arise from at least twice the additional produce to the farmer; consequently, the total value of the wool could not be estimated at less than two millions: and as the manufacturer by his art would treble the value of raw material, the nation would be ultimately benefited in the amount of six millions per annum. It is thus that internal improvements are so infinitely superior, in point of solid profit, to that which foreign commerce produces. In the one case, lists of numerous vessels loaded with foreign commodities, and the splendid accounts transmitted from the Custom House, dazzle and perplex the understanding; whereas, in the other case, the operation goes on slowly, but surely. The nation finds itself rich and happy; and too often attributes that wealth and prosperity to foreign commerce and distant possessions, which properly ought to be placed to the account of internal industry and exertion. It is not meant by these observations to go the length that some might contend for; namely, to give any check to foreign commerce, from which so much public benefit is derived; but it surely is desirable that internal improvement should at least be considered as an object fully as much entitled to attention as distant speculations, and, when they come into competition, evidently to be preferred¹." So far as external commerce is concerned in 1791, effect had been given to these views by the Act of 1791², which repealed all the existing corn laws; it aimed at keeping the price ranging between 46s. and 54s. the quarter. A bounty of 5s. was to be paid on the export of wheat when

¹ *Reports*, ix. pp. 209-210.

² 81 Geo. III. c. 30. On the working of this measure see *Reports*, 1808-4, v. 699, 798, and the amending Act of 1804, 44 Geo. III. c. 109.

the price was as low as 44s., but on the other hand a prohibitive duty was levied on importation when the price was below 50s., and only 6d. a quarter was charged on imported wheat when the price rose above 54s. The interruption to commerce, even though no serious effort was made to cut off our food supply during the Revolutionary and Napoleonic wars¹, seems to have given a practical and effective protection to home production; prices rose and the process of bringing additional land into cultivation went on apace.

As a matter of fact, however, the advantages to the community generally, which Sir John Sinclair had anticipated, did not arise. By far the greater part of the gain which came from the war prices went to the proprietors of land. Agriculturists took in new ground and had recourse to inferior soil and worse situated land, but additional supplies could only be obtained at an increasing rate of cost². Those men, who had good and well situated arable land, were able to obtain the same high price, as was necessary to recompense the man who worked under less favourable conditions. The advantage which accrued from the superior properties or exposure of the land, did not affect the labourers at all, and could only go temporarily to the tenant during the period of his lease; the gain was eventually transferred to the owners of property, whether they were enterprising or not. As recourse was had to worse soil and the margin of cultivation descended, the land-owner and the tithe-owner gained. The rise of prices, which rendered more strenuous tillage possible, swelled their incomes immensely³. Though the farmer might

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and gave
an un-
healthy
stimulus to
tillage for
a time.

¹ See above, p. 684.

² This law of diminishing return is a simple statement of a physical fact; it was brought into prominence by Ricardo, who made it the basis of his doctrine of Rent. It is well to remember too that the form of expression used by Ricardo might have been suggested by the actual occurrences of his time. Farming in 1815 was still largely extensive; a fall of prices resulted immediately in certain land going out of cultivation. If prices rose again it might be predicted with certainty that the same land would be brought back again into cultivation. It was thus perfectly possible to point out the land that was on the margin of cultivation and which paid no rent. Now that land is carefully prepared and drained, and the soil made, the conditions are very different; and the language which applied to a time when most English farming was still extensive, is not exactly suitable to modern conditions when tillage is so highly intensive (Prothero, 104). In bad times land may fall out of condition, but not immediately out of cultivation.

³ These were the facts for which Ricardo's theory of Rent afforded the

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get high profits occasionally during the wars with France and the United States, a sudden fall of prices ensued at the times when importation became possible, and this proved disastrous to the men who were cultivating inferior lands or who had a very small capital. Similar results occurred in years of plenty, when prices dropped suddenly¹. On the whole there was an immense stimulus to agriculture, and the landed proprietors gained largely; but, like other trades, farming was subject to fluctuations, and the business of the tenants had a much more speculative character than formerly.

*The
landlords
were threat-
ened with
ruin at the
Peace,*

The prospect of peace in 1815, and of the importation of cereals grown in America and the Baltic lands to English ports, suddenly opened the eyes of landed proprietors to the instability of their prosperity. A fall of prices would have placed many of the land-owners in grave difficulties; there had, of course, been an unprecedented rise of their incomes during the war. Rents had increased, as it was said, about seventy per cent. since the war began; and few of the land-owners had realised that their gains were merely temporary. They had burdened their land with jointures, or mortgaged it to make real or fancied improvements; and thus, when there began to be a difficulty about getting rents paid, there was a general feeling among the landlords, that if there was a fall either of rents or prices, they would be unable to meet the obligations which they had incurred. It was necessary that the inflated prices of the war period should be maintained somehow, if the landed proprietors, as a class, were to be saved from ruin. As the whole course of agricultural improvement had been pressed on by their enterprise, and to some extent at their cost², it appeared that the agricultural explanation. There must have been much land in his time which was actually on the margin of cultivation, and was sown with corn or not, according to the prospects of a high or low price. In giving his explanation a general form, Ricardo enunciated a doctrine which applies to differential advantages of every kind; but the public did not sufficiently appreciate the fact that the payments made by the tenant to the landlord are not merely differential, but at all events include the landlord's share of profit for the capital which he has sunk in the land (Cunningham, *Modern Civilisation*, 161). The mistaken impression thus diffused tended to increase the irritation which was felt in the commercial community against the landed interest.

¹ Arthur Young, *Annals of Agriculture*, xli. p. 309.

² The cost of actual enclosure, and of erecting buildings suited to the improved system of cultivation, had been largely defrayed at the expense of the landlords.

system of the country would go to pieces if they became bankrupt, while the finance of the realm would be thrown into disorder. In any case they could urge that they had an equitable claim for the fullest consideration, owing to the incidence of national and local taxation. It was on these grounds that a stringent Corn Law was passed in 1815, by which the importation of foreign corn was prohibited, so long as the price of wheat did not rise above 80s.¹

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*The Act
of 1815
was passed*

It was possible to urge, and to urge in good faith, that the course which was so essential to the landlords as a class was also beneficial to the community. There was an obvious political danger in allowing the country to be normally dependent for its food supply on foreign sources; the nation had experienced the misery of famine, during the recent wars, at the times when the harvest had fallen short and the interruption of commerce had prevented adequate importation. It was plausible to insist that the country must endeavour to raise her own food supply from her own area, and not be dependent on maritime intercourse for the necessities of life; and it seemed possible that by artificially maintaining a high price, agricultural production might be so stimulated as to call forth an ample supply in good years, and a sufficient supply in bad ones. This was only, after all, a modification of the immemorial policy of the country², in seeking to foster a vigorous rural population and provide adequate food.

*on
plausible
grounds,*

But times had changed since the English Revolution. The public interest no longer coincided with the private interests of the landlord class, as had been approximately the case in 1689³; it had come to be closely associated with the private interest of the manufacturers. The hardware and textile industries were becoming the chief source from which the wealth of the country was derived. Shipping was needed, to fetch materials and to carry away finished goods; it had long ceased to have much employment in exporting our surplus corn. Maritime prosperity was bound up with the development of industry; the shipping interest was indifferent to the maintenance of English tillage; and might even be opposed to it, since the regular importation of corn would

*but in the
interest of
the land-
lords as
a class,*

¹ 55 Geo. III. c. 26.

² See above, p. 85.

³ See above, pp. 541, 542.

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*to the detri-
ment of
consumers.*

open up lines of steady trade. It was clear, moreover, that for the well-being of the manufacturing interest, cheap food was of the highest importance. The corn law of 1689 had tended to increase the normal food supply of the country and to make prices steady; it had not been inconsistent with the interests of the capitalist employer, and it had made for the comfort of the labourer on the whole. But the attempt to maintain a high price, so as to extort a sufficient supply from the soil of England, imposed a very serious burden on all consumers. Had it been in the clear interest of the community, it might have been borne patiently; but this was not the case. The policy was only in the obvious interest of a class, and as it could be depicted as demanding the sacrifice of the masses of the population for the benefit of a small class, it was resented accordingly.

*It did not
serve to
control
prices so
as to
encourage*

The issue, which had been concealed when the compromise of 1773 was adopted, came into clear light in 1815. Industrial progress had changed the internal balance of the economic powers within the realm. The policy of stimulating agriculture, to meet both home requirements and foreign demand according to circumstances, was ceasing to be practical in 1773; in 1815 it was an utter anachronism. The advocates of protection failed to recognise that under altered circumstances, the measures which had served to stimulate agriculture in the eighteenth century were no longer applicable. The conditions of the problem of the food supply had entirely changed, at the time when the home demand increased so much that England ceased to be a corn-exporting country. So long as it had been possible to count upon outflow, it was feasible by legislative regulation to affect its rate, and thus to keep up a steady supply within the country; but when the range of home prices was so high that there was no foreign demand for English wheat, the mere prohibition of import, except at famine prices, could have no effect in rendering the conditions of agriculture stable. Indeed, the new enactment only served to exaggerate the variations which necessarily occurred with differences in the seasons; the effect of the Corn Law of 1815 was to render farming a highly speculative business. The normal food production, with the existing methods, was insufficient

for the population¹. In years of scarcity a comparatively small deficiency in the crop immediately caused a startling rise in price. Encouraged by these rates, farmers would break up more ground and take crops on a larger area, but a year or two of lower prices would soon compel them to give up the task of trying to grow wheat, except on their better land; the uncultivated area was often left wild, without any attempt at laying down pasture. The most serious of these variations of price occurred just after the conclusion of the war. In January 1816, notwithstanding the protective legislation, wheat was selling at 52s. 6d.¹; owing to a deficient harvest in 1816, not so much in our own country as abroad, the price rose very rapidly, and in June 1817 stood at 117s.². Similar startling fluctuations characterised the end of the period, and rendered the farmer's business a constant speculation in which hundreds were ruined³.

steady agricultural improvement.

Under these circumstances it was true that only a section of the landed interest, the proprietors and the tithe-owners, gained by the continuance of the traditional policy with regard to corn, while the mischievous consequences of the dearth of bread were felt by consumers in all classes. The uncertainty and scarcity in regard to food, which had been temporarily introduced by the war, continued to cause increasing distress. No substantial difference was made by the sliding scale of 1828⁴, which permitted foreign corn to be imported and warehoused, on the payment of duties, if it was sold for consumption at home. Some relaxation was indeed allowed in the famine year of 1823, but on the whole the system of protection was strictly maintained, but with more and more hesitation⁵, till it was at length abandoned in 1846⁶.

¹ The Committee of 1821 believed that enough wheat was grown for the requirements of the country, *Report from Select Committee to whom the several Petitions complaining of the depressed state of agriculture were referred* (Report, etc., 1821, ix. 9); while that of 1833 recognised that we were dependent on foreign supplies "in years of ordinary production." *Ib.* 1833, v. 5.

² Tooke, ix. p. 4.

³ Tooke, ix. 18.

⁴ One Parliamentary Committee after another reported on the state of the agricultural interest. In 1821 it was shown that there had been many failures among the farmers in Dorsetshire in the preceding years. *Reports*, 1821, ix. 138.

⁵ 9 Geo. IV. c. 60.

⁶ Sir R. Peel's sliding scale in 1842 was quite an inadequate reform.

⁷ 9 and 10 Vict. c. 22.

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The working classes not only failed to obtain redress under the existing laws

but suffered from the passing of a new Combination Act

in a time of political panic.

264. The anomalies of the system of representation at the beginning of last century were a discouragement to the artisans in seeking for redress on conservative lines. The operatives and labourers had reason to be embittered at the failure of the government to administer the law of the land as contained in the Statute book, and to enforce reasonable rates of wages by authority. It was a still greater grievance that they were prevented from trying to do their best for themselves, and that all attempts on their part at collective bargaining were treated as criminal. The measures which had been devised in old days for the protection of the workman were allowed to become a dead letter, while those which limited his powers of self-defence against capitalist oppression were re-enacted¹ in a more stringent form. The passing of the Combination Act of 1799², which was amended and re-affirmed in 1800³, was on the face of it a piece of gross injustice; and the information regarding the history of the measure is so slight, that there is great difficulty in understanding the reason for inflicting it. There was much distress in the country, and long debates took place in both houses in 1800 on the best methods of alleviating the general suffering; but there were no special features in the economic conditions of the day which render the introduction of such a drastic measure at all intelligible.

It seems reasonable to suppose that the motives, which weighed with the Government of the day in 1799, were political and not merely economic. This bill gave an additional weapon to deal with those who were concerned in any outbreaks which might arise in a period of scarcity, and it provided an engine for suppressing seditious societies, which might cloak themselves under a pretence of trade objects⁴.

¹ See Vol. I., also S. and B. Webb, *Trade Unionism*, 63.

² 89 Geo. III. c. 81. *An Act to prevent unlawful combinations of workmen.*

³ 89 and 40 Geo. III. c. 106. The principal modification was the addition of §§ 18 to 22 which gave greater facilities for arbitration between masters and men on any trade disputes, and § 17 which rendered combinations among masters illegal.

⁴ This view is confirmed by the fact that a very severe measure against debating societies passed in the same year. 89 Geo. III. c. 79. The only suggestion I have come across of a connection between workmen's societies and seditious gatherings occurs in April 1801, before the Combination Acts had rendered

The measure seems to have been rushed through the House of Commons under the influence of panic; its earlier stages were taken on three successive nights¹. There were no petitions in its favour and there is no report of any debate in *Hansard*; it was not introduced because of pressure from the outside, but it was hurried on by Government. The Bill was not accepted so readily when it was introduced into the House of Lords. The London artisans had come to hear of the proposal which was being pushed on so fast, and the Calico Printers petitioned the Lords against it. Counsel was heard on their behalf, and the opponents of the scheme thought it worth while to divide the House, though the Government carried the day. But the matter did not rest here, as there were numerous petitions from all parts of the country pointing at the injustice of the Act and demanding its repeal². The matter came up for re-consideration in the next session; but whatever may have been the original motives for introducing the Bill, there were, in the then temper of the legislature, valid economic grounds for maintaining the measure. Parliament had honestly considered the practicability of fixing a minimum rate of wages, and had come to the deliberate conclusion that any attempt to do so would be futile so far as the labourers were concerned, and would

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and despite
protests
against its
injustice.

Trade Societies criminal. "At the same period seditious emissaries were first detected endeavouring to excite insurrection among the manufacturers of different parts of Lancashire. This was to be done by associating as many as possible under the sanction of an oath, nearly similar to that adopted in London and which, with an account of the secret sign which accompanied it, has been transmitted from various quarters to Government and laid before your Committee; dangerous meetings were disguised, as in London, under the appearance of Friendly Societies, for the relief of Sick Members." *Second Report from Committee of Secrecy relative to State of Ireland. Reports, reprints, 1801. First series, x. 831.*

¹ 17, 18, 19 June, 1799. *Commons Journals*, LV. pp. 653, 662, 666.

² *Commons Journals*, LV. 646. The London petition runs thus: "That during the last session, an Act was passed to prevent unlawful Combination of Workmen, ...and that the said Act by the Use of such uncertain Terms, and others of the same Nature, has created new Crimes of boundless Extent, to which are affixed Fines, Forfeiture and Imprisonment,...and that in many Parts of the said Act, the Law is materially changed to the great Injury of all Journeymen and Workmen; and that, if it be not repealed it will hereafter be dangerous for the Petitioners to converse with one another, or even with their own Families; and that its immediate Tendency is to excite Distrust and Jealousy between their Masters and them, and to destroy the Trades and Manufactures it purports to protect."

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probably be mischievous to trade. They might readily believe that if a fixed minimum of wages, even when it emanated from public authority, was an evil and tended to aggravate distress, the attempts of private individuals to take the matter into their own hands, and enforce such regulations by the strength of a combination, were still more to be deprecated; this seemed to be doing a bad thing in the worst possible way. There was a diametric opposition between the operatives, whose chief aim was to uphold the Elizabethan policy, and the legislature, which regarded the old system as mischievous, and felt justified in treating all efforts to restore it indirectly as criminal.

*Friendly
Societies
continued
to exist,*

The Act did not affect associations which existed for approved objects, but merely the employment of the powerful weapon of combination for purposes which the legislature regarded as mischievous¹. There was at this time a very general interest in Friendly Societies, and a desire on the part of the Government to give them a better status. The Act, which Mr Rose had carried through in 1793², had encouraged these societies to bring their constitutions and rules before the justices for approval; and conferred on them a definite legal status if they did so; as these bodies were able to use their funds to assist their members when out of work or when travelling in search of it³, a considerable field of activity in connection with trade affairs was open to them. There appear to have been many such societies in all parts of

¹ "All contracts...made...between any journeymen manufacturers or other workmen...for obtaining an advance of wages,...lessening or altering their or any of their usual hours or time of working...or for preventing or hindering any person or persons from employing whomsoever he, she or they shall think proper to employ in his her or their business, or for controlling...any person or persons carrying on any manufacture, trade, or business, in the conduct or management thereof, shall be...illegal." 39 Geo. III. c. 81.

² 33 Geo. III. c. 54. *An Act for the Encouragement of Friendly Societies.*

³ A clear account of the objects of one of these societies will be found in the evidence given before a Committee of the House of Commons in 1794. It is clear that an out-of-work benefit was allowed and it was also stated that there was not one out of a hundred of the Woolcombers that did not belong to some society. William Eales' evidence, C. J. XLIX. p. 323. The practice of associating for trade objects and other benefits had existed among the woolcombers for many years. See above, pp. 508 and 652 n. 3.

England¹. and the total membership was enormous². Just A.D. 1776
because there were such facilities for the formation of legiti- —1850.
mate associations, the Legislature would have less scruple in
prohibiting the formation of trade societies, and the diversion
of the activities of friendly societies to purposes of which
neither the legislature nor the justices approved³.

but associa-
tions for
trade pur-
poses were
liable to
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cution;

From this point of view, the determination of the legis-
lature to maintain these Acts becomes intelligible, and we
can also get clearer light on the difficult question as to the

¹ Very full information in regard to these societies in the Newcastle district is preserved in five volumes in the British Museum, marked 8275. bb. 1—5. Most of the societies confined their benefits to sick members and superannuation, and make no explicit provision for out-of-work benefits. This occurs, however, in the Clerks' Society (rule 11, 1807), a member of which who lost his employment was allowed 10s. a week for 26 weeks. In the society instituted among Messrs Angas' coachmakers, temporary loss of work (p. 19) is acknowledged to be a case of "difficulty and distress, that its benevolence cannot relieve in any competent degree"; this society's rules had several fines for industrial offences, and are framed from a capitalist standpoint. The Maltsters' Society (1796), apparently of small masters, also took cognisance of trade offences (rules 4, 16). The Masons, rule 20 (1811), recommends "that all persons thereto belonging do encourage one another in their respective trades and occupations"; this probably refers to dealing at one another's shops; but it appears that the trade ideas and benefit club aims were not kept distinct.

² Compare the interesting statistics for each county appended to Mr George Rose's *Observations on the Poor Laws*, 1805. He gives the total membership for England and Wales at 704,350 (Table, Appendix); in 1815 it had increased to "925,439 being about one-thirteenth part of the population." Bechey, *Constitution of Friendly Societies* (1826), p. 49.

³ The justices had no authority to enquire into the real as distinguished from the ostensible objects of an association applying to them. "Every Society which professed to provide for sickness or old age and declared no unlawful purpose was necessarily admitted." *Report from the Select Committee on the Laws respecting Friendly Societies* (1826), iv. 326, printed pagn. 6. Mr Bechey quotes the allegation that the Friendly Societies "have been too frequently converted into engines of abuse by paying weekly sums to Artisans out of work, and have thereby encouraged combinations among workmen not less injurious to the misguided members than to the Public Weal." *Constitution of Friendly Societies* (1826), 55. Some instances were noted in Lancashire about 1815. "The regulations of hatters, small-ware weavers and other trades, have appeared in print and are of the most tyrannical and arbitrary character, and are well known to be enforced with the most rigid severity. Societies are formed of persons carrying on the same business, ostensibly for the laudable purpose of relieving the members in time of sickness, but in reality for the maintenance of illegal combinations, from the funds of which a supply is obtained for the most illegal purposes. On the 6th or 7th of March 1817, a supply of £20 was sent from a Society of Cotton Spinners for the purpose of assisting in the illegal object of a body of several thousand persons proceeding in regular array to London, under pretence of presenting a petition to the Prince Regent." W. D. Evans, *Charge to the Grand Jury*, 17, a tract to which my attention has been directed by Mr S. Webb.

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*though this
was not
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cally
enforced,*

*an intense
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injustice
was roused.*

enforcement of the Acts. The general impression created by the careful investigations of Mr and Mrs Webb¹ is that the Act, though enforced spasmodically and occasionally with great severity, remained to a considerable extent a dead letter. The workman had on the whole been endeavouring to insist that existing laws should be carried out: and the mere fact of combination for this purpose could hardly be regarded as illegal. The Glasgow Cotton Weavers were allowed to combine to obtain a decision on the rates of wages; but their leaders were arrested as criminals, when they tried to enforce the rate themselves and organised a strike². In various trades the practice of arranging a list at a conference between masters and men was in vogue³, and though this might have easily led to breaches of the Combination Laws, it was apparently held that, where the masters were ready to meet the men in conferences publicly called, the idea of conspiracy hardly came in. There certainly were cases when the masters had a very strong case under the Acts, and did not invoke their assistance⁴; so that it is probably true to say that, on the whole, the law was not often set in motion, and that things went on in an ordinary way, as if no such statute was in existence⁵. In case of any dispute between masters and men, or of a strike, the employers were able to have recourse to this Act at any moment, and summarily to crush all opposition; and the severe sentences which were inflicted under the Act on Bolton Calico Printers in 1817, and on the Sheffield Scissors Grinders in 1816, must have rankled deeply in the minds of the victims. It is impossible to say to what extent the existence of the Acts, even when spasmodically enforced, affected rates of pay or increased the privations of the working classes, but there can be no doubt that they added immensely to their sense of wretchedness and helplessness. The impotence

¹ *Hist. of Trade Unionism*, 58, 65.

² See above, p. 638.

³ Lists of Prices were agreed on by the London Printers in 1805, and by the London Coopers in 1818, 1816, and 1819; by the Brushmakers in 1805, and there were strong societies among the Cabinet Makers in Edinburgh, London and Dublin. Webb, *op. cit.* 66—68.

⁴ See above, p. 642 n.

⁵ See the quotation from George White in Webb, *op. cit.* 68.

of the artisans is the prominent feature of the time. Nor were their leaders inclined at first to take any part in legislative movements for improving any particular social conditions; their energies were entirely absorbed in the effort to obtain a share of political power¹, in the hope that they could then remedy all their wrongs. Their keenest feeling was a sense of the injustice done them, and of the hopelessness of attaining real redress until they had an effective voice in the government of the country.

265. While the working classes were waiting angrily for the power and opportunity of giving effect to their views, Parliament seemed to be singularly supine. At no previous time of widely diffused suffering throughout the country had the Legislature been content to remain so inert as it was in the period after the long wars. An impression began to be disseminated that the propertied classes were wholly indifferent to the sufferings of the poor. But this was not the case; the inaction of the House of Commons was due to the opinion, which had become more and more prevalent among educated men, that any interference on the part of the Government was injurious to the material prosperity of the community, and that no legislative remedy could be devised which would really mitigate the miseries of the poor. It was not so much that Parliament failed to devise satisfactory remedies, during the first quarter of the nineteenth century, as that the Legislature regarded itself as excused from attempting to find either palliatives or a cure.

The paralysis which affected State action during this period, was chiefly due to the influence of the economic experts of the day. Ricardo, Malthus, the elder Mill and other writers of the school of Adam Smith, were clear and vigorous thinkers, who were keenly interested in developing the science which he had founded. They added immensely to the understanding of some aspects of social and economic progress; but as guides on practical matters they were most misleading. They were wholly unaware that the principles they enunciated were only true under certain limitations.

¹ Adolph Held, *Zwei Bücher zur socialen geschichte Englands*, p. 840.

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who con-
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tention on
national
wealth,

and were
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advocates
of laissez
faire.

Adam Smith's practical sense had saved him from the exaggeration into which they fell; he dealt with concrete instances and the actual life of a nation. His disciples followed him in separating out the economic side of human life, but they treated it as if it were an independent entity, and not as conditioned by the political circumstances of the community, and by the personal welfare of the citizens. It is convenient for purposes of investigation to separate the economic from other aspects of society; but the student who allows himself to forget that he is dealing with an abstraction, and that the economic factors and functions he studies have no separate existence of their own, is not likely to deal wisely and judiciously with practical issues. The principles of Natural Liberty, which formed the basis of Adam Smith's criticism of actual measures, were accepted by his disciples as an ideal which they strove to realise. Even if Ricardo and the Manchester School were right in thinking that a thorough-going acceptance of *laissez faire* was essential, in their age, for the most rapid accumulation of material goods, it did not necessarily follow that this policy was the wisest for the personal welfare of individuals generally, or the continued maintenance of sound national life.

The National Wealth, of which Economic Science treats, is after all an abstraction; the component parts, of which it actually consists, are by no means the same in different countries, or in the same country at different times. Hence, free play for the economic forces, which form and maintain the actual national wealth at any given time and place, must necessarily work out somewhat differently at distinct stages of social development. At the beginning of the nineteenth century England had reached a phase of her history when capital had become the predominant factor in her material prosperity. Her political power rested on the expansion of her commerce, rather than on the resources of her soil; and the moneyed men had completely asserted a right to be treated with greater consideration than the landed interest. In manufacturing also, the triumph of capitalism had been complete, as machinery rather than human labour had become the more important element in the production of goods.

National interests seemed to be involved¹ in giving play to the captains of industry to manage their own affairs without let or hindrance. Those who regarded freedom for enterprise as an ideal, were inclined to insist that it was a natural right which had been preserved by constitutional safeguards². A Committee of the House of Commons gave a new reading of the rights of Englishmen. "The right of every man to employ the Capital he inherits or has acquired according to his own discretion without molestation or obstruction, so long as he does not infringe on the rights or property of others is one of those privileges which the free and happy Constitution of this Country has long accustomed every Briton to consider as his birth-right³." The body to whom these words were addressed had definitely adopted the standpoint of the economic experts of the day, and they in turn constituted themselves the apologists of the enterprising capitalists. In looking back we can see that, while it was necessary to sweep away the barriers to industrial progress, something might have been done to mitigate the evils by which the change was accompanied. But the House of Commons came to believe that all attempts at interference with the free play of enterprise were mischievous, and the language adopted by economic experts accentuated the differences and widened the breach between the various elements in the community. The practical partisanship of such classical writers as Ricardo, Malthus, and Mill, together with the pronouncements of the Manchester School, comes out in the attitude they took towards those who laid stress on elements other than capital in national prosperity. In the early part of the nineteenth century, the working classes continued to hold to the Elizabethan view of the duty of the State to foster a busy and prosperous working class; and economic experts denounced them for their ignorance, and solemnly warned as to the consequences of their shortsighted folly. The landed interest, who adhered to the traditional principle as to the necessity of protecting and encouraging agriculture, in order to maintain the food supply

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*The vigour
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duty of the
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labourers*

*and the
expediency
of fostering
a native
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¹ On the fact that the promotion of national economic interests must always favour the interests of certain classes to the disadvantage of others, see above, p. 16.

² On the tradition of freedom in economic matters, see above, p. 286.

³ Quoted by S. and B. Webb from *Reports*, 1806, III. 12.

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*increased
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bitterness.*

of the country, were held up to scorn for their selfishness. The economic science of the day supplied admirable weapons for mutual recrimination, and helped to embitter the relations of class with class; but the general policy which it approved was that of letting things drift, and the House of Commons was nervously afraid of taking any step which, in the opinion of economic experts, might in any way injure the trade of our merchants and manufacturers.

*The
Classical
Economists*

This indisposition to act was specially noticeable in regard to matters which affected the well-being of the working classes. The masters at the beginning of last century do not appear to have been unscrupulous advocates of their own interests; some of them were prepared to accept the legislative interference which was demanded by the hands. The thoroughgoing support of the capitalist position was undertaken by economic experts, and the doctrines they propounded led men to think that the sufferings of the poor were not only their misfortune but their fault, and that to try to aid them was foolish and mischievous. This was the impression produced on public opinion by the theory of the Wages Fund and the teaching of Malthus in regard to population.

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special con-
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The Classical Economists were apparently unaware that in their studies of particular problems they were necessarily examining the phenomena in a form which was determined by the conditions and circumstances of their own time. Their analysis was acute and of permanent value; but in attempting to give the results they reached a scientific character, the economists were occasionally guilty of hasty generalisation. Political Economy co-ordinates recent experience and lays down the 'law'¹ as to what will happen so long as social and physical conditions remain unchanged; but social and physical conditions are always changing, and throwing the formulæ of the economist out of date. The positive doctrines of the classical economists were received with exaggerated deference in their own day as if they had enunciated maxims which hold good for all time; a reaction has since set in, and their teaching has been unduly

¹ On the confusion consequent on the use of this term in Economics, see Cunningham, *A Plea for Pure Theory*, in *Economic Review*, II. 37, 41.

disparaged. It is possible, however, at this date to give them A.D. 1776
discriminating appreciation. The doctrine of the Wages —1850.
Fund, and the popular dread of over-population, were well-
founded in fact, in the first quarter of the nineteenth century; *and put forward a doctrine of the Wages Fund*
but in so far as the teaching, which was true in the ex-
ceptional conditions of the time, was formulated in principles *which*
which were supposed to be valid for all future ages, it was *condemned*
mistaken and misleading.

The exponents of the Wages Fund maintained the position that it was impossible for combinations of workmen to raise wages. They held that the rate of wages was necessarily determined by the relation between the numbers applying for work and the fund set apart by the capitalists for the payment of wages. This principle is convenient for purposes of special analysis; at any given moment there is, as a matter of fact, a wages fund which consists of all the money available there and then for paying labour. It is altogether a mistake, however, to suppose that this sum is in any sense fixed; as it is constantly fluctuating, according as masters find it worth their while to set a greater or a smaller amount of labour at work. The Classical Economists were guilty of neglecting this constant fluctuation in the sums assigned to the payment of wages; the circumstances of their time did not allow them to observe it. As a matter of fact the wages fund was practically stationary during the period of depression which succeeded the war. This fund appeared to be fixed, because the conditions which would have enabled masters to raise wages were rarely realised. This was particularly true of those trades in which the cost of production by machinery and by hand were nearly balanced. If the rates of payment to labour were raised, then production by hand would be unremunerative, and it would be displaced by the introduction of machines; or on the other hand, if prices improved and it became profitable to manufacture on a larger scale, it would pay to introduce machines rather than to increase the number of hands. The competition of machinery gave a regular fixity to the wages fund at this time; but the Classical Economists allowed themselves to generalise from the circumstances of their own day, as if they were normal for all time.

and put forward a doctrine of the Wages Fund which condemned

all efforts on the part of labourers to raise wages,

since they were ineffective at that juncture.

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They did not attempt to investigate the conditions which tend to render the wages fund steady for a time, and preclude the increase of the labourers' wages during that period. The labourers were poorly paid, not because the wages fund was invariable, but because the introduction of machinery was restricting it at the time; this was precisely the view taken by the labourers, though they gave it less cumbrous and more forcible expression.

While economists denounced the ineptitude of all efforts on the part of labourers to raise the rates of wages, they were equally scornful of all philanthropic proposals for ameliorating the condition of the poor. All poverty was said to be due to the increase of population at a more rapid rate than the increase of the means of subsistence; and it seemed to follow that any charity, which gave the opportunity for more rapid multiplication, would increase the evil it professed to relieve. This was the position of the followers of Malthus, and his mode of statement gave some excuse for the exaggeration; he based his doctrine on a very careful inductive argument. He cites instances from every age, from every climate, and from every soil, to show that there is everywhere a tendency for population to increase faster than the means of subsistence; and he draws from it the inevitable conclusion that the anxiety which politicians displayed, to provide conditions for the growth of population as an element in national power, was quite illusory. The difficulty lay, not in the birth-rate, but in the raising of children to be efficient men and women; a low rate of infant mortality seemed to him to be on the whole the best guarantee for a sound and well-nourished population.

The Malthusian doctrine

as to the difficulty of procuring subsistence,

The conditions of society, at the time when Malthus wrote, were such as to render the truth of his principle obvious when once it was stated. On the one side there was the greatest difficulty in procuring additional means of subsistence; the war imposed hindrances to the purchase of supplies from abroad; and though agriculturists were busy in ploughing up waste ground and taking in a larger area for the cultivation of wheat, they were finding that the task of adding to the regular produce became harder and harder.

The means of subsistence could only be procured with a A.D. 1776
severer strain at that time; the obstacles, that had thus —1860
to be overcome, are much less noticeable in our days, when the powers of purchasing food are freely used, and the skill in producing it has advanced beyond anything that Malthus could anticipate. In his days, and so far as the outlook could be forecast, he was justified in urging that the available means of subsistence were being increased but slowly, if at all.

With population it was different. The rapid development and the rapid growth of
of cotton-spinning had called new towns into existence; and the newly-expanding industries were, as Sir James Steuart foresaw¹, stimulating the development of population. Besides this, there was an accidental and unwholesome stimulus given by the arrangements of the poor law. The allowances per head, per child, rendered it a distinctly profitable speculation for the ordinary labourer to marry, and claim parish assistance for his offspring; and there was every reason to fear that the eighteen-penny children would replenish the whole land with hereditary paupers. On every hand it was obvious that population was increasing; and that the numbers, which were added, were brought into the world without any real attempt being made to provide, by additional effort, for their subsistence.

The circumstances of the times conspired to render the was a convincing statement
tendency, which Malthus noted, specially dominant; at his time and under the existing circumstances it was working in the fashion that he describes. He regarded the tendency for population to increase as a physical force, which could only be effectually controlled by a stronger sense of duty acting under better social conditions. He was a little apt to under-rate the contributory circumstances that might tend to modify² the recklessness he deplored; but he never forgot

¹ See above, pp. 494, 704.

² Malthus lies especially open to this charge in his controversy with Arthur Young in regard to pauperism. Malthus would have absolutely abolished the relief of the poor by the State; as he proposed that children born after a certain date should be excluded by statute from any claim for relief. In this way he believed that pauperism would be gradually extinguished, and that self-reliance and better conceptions of parental responsibility would be formed, if the pressure of circumstances were brought to bear. Arthur Young, on the other hand, believed that his independence of spirit would be fostered by giving the labourer

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of the facts
on his time,

that the impulse was one that was susceptible of moral control. He has managed, however, to leave a somewhat different impression of his doctrine, that population tends to increase faster than the means of subsistence increase, by formulating it as if it were a law of physical nature. The preventive checks, which are brought to bear by rational self-control, do not occupy so prominent a place in his essay as to have sufficiently attracted the attention of his readers. At a time of rapid transition and extreme fluidity, rational foresight has little to go upon, and it could not prove an effective force during the Industrial Revolution. Hence it follows that Malthus, looking at the circumstances of his own era, formulated the principles of population in terms which give an exaggerated impression of the remorselessness of the tendency for a redundant population to arise. What he said was fully justified in his day; but circumstances have so far changed since, that the mode of statement he adopted needs to be modified if we would put, in simplest form, the truth about the increase of population as it generally occurs¹. We may see that there were in his time unwonted obstacles to procuring food by human exertion, whether directed to industry or to tillage; while there were, both in the development of the factories and in the nature of the poor-relief, unusual hindrances to the operation of the preventive checks.

more interests and responsibilities in life, and allowing him to have, under proper safeguards, the use of suitable land together with a cow. To Arthur Young, Malthus' scheme seemed drastic (*Annals*, xli. 221) and impracticable; while Malthus contended that Arthur Young's suggestions gave no immunity (*Essay*, iii. 353) from the recurrence of the danger. It was obvious that in so far as the spirit of independence was not cultivated by giving the labourer land, his enlarged resources would only tend towards the increase of population in the same way as the parish allowances had done. From the premises he laid down Malthus' argument was sound: the mere fact that Arthur Young insisted on so many safeguards in connection with his proposal, shows that he did not regard it as a complete panacea. On the other hand Malthus had no practical suggestion to make with the view of cultivating the spirit on which he laid such stress. He had more sympathy with Arthur Young's proposals than might appear (ib. 365), but he argued that they were no complete remedy. His followers interpreted him however as if he had condemned benevolent action as such; they feared that improvements in the labourers' condition would be inevitably followed by an increase of population, and they desisted from the schemes on which Arthur Young had relied for improving, not merely the condition, but the character of the labourer (*Annals*, xli. 280). The admirable report of the committee on allotments in 1943 seems to have had no practical effect. See above p. 718.

¹ See Cunningham, *Path towards Knowledge*, p. 25.

It was little wonder that population sprang forward apace, or that the truth of his doctrine was so terribly confirmed, when the death-rate of the factory towns, and the visit of the cholera, demonstrated the potency of the positive checks. In so far as his teaching induced a sense of hopelessness, and a feeling that no real amelioration was possible, it was very mischievous; it gave the capitalist an excuse for disclaiming any responsibility for the misery among his operatives, and raised a barrier against all attempts at improvement by legislative enactment. *but left the mistaken impression that all philanthropic effort was necessarily futile.*

This was, as we shall see, the most disastrous result of the *laissez faire* attitude taken by the exponents of economic science; the labourers were ignorant, though not so ignorant as was alleged, and their favourite projects would probably have proved injurious to the country; the landlords were selfish, though there were many plausible excuses for maintaining the old policy as they tried to do; but it had ceased to be beneficial, and it was rightly condemned. Unsympathetic criticism that has a basis of truth is much less harmful than exaggerated approbation; and it was most unfortunate that the most advanced science of the day should insist on free play for the capitalist, as a right, while it provided him with excuses for neglecting his responsibilities.

IV. HUMAN WELFARE.

266. During the twenties, and still more in the thirties and forties, a considerable change came over public opinion on industrial questions. Unexampled progress had been made during the last decade of the eighteenth, and the beginning of the nineteenth century, but there was no reason to believe that Englishmen were either better or happier. There seemed to be no result that was worth having; and the detached attitude which economic experts assumed was not reassuring. They appeared to confine themselves to the study of ways and means, without endeavouring to form a clear and positive conception of the end to be pursued. The economist of the early part of last century was ready to explain how the greatest amount of *English public opinion*

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under the
influence of
John
Stuart
Mill

material wealth might be produced, but not to discuss the uses to which it should be applied; he was prepared to show on what principles it was distributed among the various individuals who formed the nation, and to leave the question of consumption to each personally. But philanthropic sentiment and religious enthusiasm were not content to leave the matter there, and public opinion was gradually roused to demand that practical statesmen and their expert advisers should look farther ahead. Under the influence of these larger views, John Stuart Mill gave a new turn to economic study. He was not satisfied with discussing mere material progress. He could contemplate a stationary state with calmness; he could not but dwell with bitterness on the great misery which accompanied increasing wealth; and he tried to formulate an ideal of human welfare in his chapter *On the Probable Futurity of the Working Classes*¹. In this way he succeeded in indicating an end towards which the new material resources might be directed, and thus restored to Economics that practical side, which it had been in danger of losing since the time of Ricardo. It is important that we should have a method for isolating economic phenomena and analysing them as accurately as may be, and this Ricardo has given us; but it is also desirable that we should be able to turn our knowledge to account,—to see some end at which it is worth while to aim, and to choose the means which will conduce towards it; this we can do better, not merely intuitively and by haphazard, but on reasoned grounds, since the attempt was first made by Mill.

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The change was not only noticeable in the economic literature of the day, it comes out clearly in the work of the Legislature. Under the guidance of the *laissez faire* school Parliament had been inclined to hold its hand altogether, lest its action should only work mischief. The dominant party were satisfied, in accordance with the views of experts, to provide the conditions which tended to the most rapid material progress, in the expectation that if they sought this first, all other things would be added thereto, gradually and indirectly. From the time of the Peace of 1815 onwards, however, and more obviously in the Reformed Parliament,

¹ *Principles of Political Economy*, Bk. iv. c. 7.

there were signs of a determination to treat human welfare, in all its aspects, physical and moral, as an object of which definite and direct account should be taken by Parliament in the work of legislation.

The elements of which human welfare consists are very various, and there have been and are very different views current of the relative importance of the factors which contribute towards it. Material conditions, and personal faculties and character, react on one another; there may be great diversity of opinion as to the best starting-point to take in trying to introduce improvement. Even greater difficulties arise in regard to the means to be adopted; the habits and character of the individual are to a large extent formed by the society in which he lives; while it is also true that the tone and institutions of society can be modified by the individuals of whom it is composed. Wide divergences in regard to social questions of every sort are likely to follow from differences of opinion, or inability to form opinions, on the relations of Man and his environment, and on the mutual connections between human society and individual lives. But those who disagree on fundamental principles may yet chance to find themselves, from time to time, in the same camp. They may agree that a step should be taken in some definite direction, possibly for incompatible reasons, and because they cherish opposite anticipations as to the results to be expected. The advocates of any movement for social amelioration may have very different views as to the precise importance of the object which they desire; and there may also be casual conjunction among the opponents of a proposed change. Even those who are most closely agreed, in their aims and objects, may be much divided on questions of expediency, and have very different views as to the wisest course to pursue at particular junctures. As the force of the *laissez faire* movement was dissipated, a fusion of conflicting principles and views occurred, and a new body of legislation on social and industrial topics eventually emerged; but it is difficult to assess the precise influence of each of the distinct parties, and groups, in shaping the course that was actually taken. The intervention of the Legislature was experimental

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and tentative; the final form which each measure assumed was the result of compromise; it is singularly hard to trace the connection between opinion and action. There was, at least, a very general consensus of feeling that something must be done, and that it was worth while for the State to make definite efforts to foster and promote human well-being. We can follow the course of affairs most easily if we fix our attention in turn on subjects which successively attracted the consideration of Parliament. There were (a) some measures which tended to the amelioration of existing conditions by giving a better status to the workman personally; (b) some which were specially directed to improving the conditions of work in various callings; while (c) others embodied attempts to ensure more favourable conditions of life.

These objects had not of course been wholly ignored even in the days when the Industrial Revolution was in full swing, and *laissez faire* was dominant. The horrors of the slave trade¹ and the condition of pauper apprentices generally had deservedly excited commiseration and called forth legislative interference² and charitable efforts³, and Acts were passed for improving the position of Scotch colliers⁴, for protecting sailors⁵ against evils precisely similar to those to which Mr Plimsoll afterwards called attention⁶. Some pains were taken to define their proper rations⁷, and attempts were made to secure the humane treatment of Lascar and other Asiatic sailors during their sojourn in this country⁸. The continued interest which was shown in improving the condition of negro slaves, and the diplomatic engagements with

¹ See above, pp. 477, 607.

² "Whereas many grievances have arisen from the binding of poor children as apprentices by Parish officers to improper Persons and to Persons residing at a distance from the Parishes to which such poor Children belong, whereby the said Parish Officers and Parents of such Children are deprived of the opportunity of knowing the manner in which such Children are treated and the Parents and Children have in many Instances become estranged from each other,' etc. 56 Geo. III. c. 189.

³ A philanthropic society for training and apprenticing neglected children of both sexes was founded in 1788, and organised an industrial school called the Philanthropic Reforms in S. George's Fields. *An account of the nature and views of the Philanthropic Society*, 6.

⁴ See above, p. 531.

⁵ 81 Geo. III. c. 89; 3 and 4 Vic. c. 36.

⁶ 3 Hansard, cccxv. 1819.

⁷ 80 Geo. III. c. 38. This Act only applied to the African trade.

⁸ 54 Geo. III. c. 134.

other lands, into which we entered with the view of benefiting them, are an interesting evidence of a wider range of humanitarianism than had been observable before. English philanthropy showed itself in many directions; it was a sentiment which was aroused by human misery and degradation, either at home or abroad; thus it gave rise, on the one hand, to protective measures on behalf of certain classes of the community, and on the other, to cosmopolitan intervention in favour of down-trodden races. This sentiment was closely connected with the evangelical revival¹ and with religious activity at home and abroad.

and other abuses at home and abroad,

The importance of this humanitarian and philanthropic movement became more obvious in 1796, in a time of serious privation, when the *Society for Bettering the Condition of the Poor* was founded by Dr Shute Barrington, Bishop of Durham, and Sir Thomas Bernard². Their energy came to be more and more concentrated in promoting the spread of education³, and in this matter the economic experts and philanthropists could make common cause. There was a free field to work in, for the educational facilities, which had been compatible with the ages of civic economy and domestic manufacture,

and positive efforts to better the condition of the poor,

¹ The association of religion and philanthropy was very close among the prominent men of the so-called 'Clapham Sect.' Hutton, in *Social England*, vi. 20. The precursors of the evangelical movement had taken a different line, as they retained the Puritan attitude both in regard to slavery and the reckless treatment of natives. Whitefield complains when writing in Georgia (1738), "The people were denied the use both of rum and slaves * * * So that in reality to place people there on such a footing was little better than to tie their legs and bid them walk." Tyerman, *Whitefield*, i. 141.

² Holyoake, *Self-help, a hundred years ago*, p. 19.

³ The *Reports of the Society for Bettering the Condition of the Poor* show an increasing interest in this matter, especially as the Malthusian doctrine took firmer hold, and the advantages of parochial charities or cheap foods came to be questioned. (See a paper read at the Ovestry Society, *Remarks on the Present State of the Poor*, 1826; Brit. Mus. 8277. c. 1. (2) p. 16.) The formation of the British School Society (1808) and the National Society (1811) is additional evidence of the importance attached to it. The immediate effects promised well. "Last August (1807), being at Rodburgh, in Gloucestershire, I (Dr Haygarth) inquired what effect had been produced upon the inhabitants by the introduction of machinery into the woollen manufactures of that valley, fearing to receive a very unfavourable report. But I was informed that the poor manufacturers had lately become much more orderly, sober, and industrious; and as a proof of the truth of this remark the landlord of the Inn assured me that he now sold £300 worth less of ale and spirits in a year than he had done fourteen years ago. This change in the behaviour and morals of the people he wholly ascribed to the effect of their education by dissenters." *Of the Education of the Poor* (1809), p. 39 (Brit. Mus. 238. g. 17).

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education,

were unsuited to the wants of the new era. Apprenticeship had offered a system of training, not only in the skill of a craft, but for the duties of life in a particular calling and a definite social status. There was need to substitute some system, which should be adapted for the wider prospects which were opening up, and which should treat each child as a unit in the State. It was possible for the manufacturers to urge that the discontent, and still more the violence, of the operatives was due to their ignorance, and that education was the means which would enable them to act not from short-sighted passion, but from an enlightened self-interest. The education of the poor thus came to be undertaken on a large scale, partly out of charity¹ and partly as a work to which the governing classes applied themselves in mere self-defence.

were
generally
welcomed.

The philanthropists could not count, however, on the interested support of manufacturers, when they turned their attention to the conditions under which the great staple industries of the country were carried on; and the best scientific opinion of the day was inclined to condemn any interference by the State, as useless when it was not mischievous. Economic experts were on the whole opposed to the protective legislation which was brought forward in the interests of women and children. They had foretold the ruin

¹ Godwin had been one of the most effective advocates of the diffusion of education, from the desire of letting the poor see where their true interest lay (*Political Justice*, i. 44). The earliest efforts of Government were deliberately confined to supplementing voluntary agency, and any other course appeared to them injurious. "In humbly suggesting what is fit to be done for promoting universal education, your Committee do not hesitate to state that two different plans are advisable, adapted to the opposite circumstances of the town and country districts. Wherever the efforts of individuals can support the requisite number of schools, it would be unnecessary and injurious to interpose any parliamentary assistance. But your Committee have clearly ascertained, that in many places private subscriptions could be raised to meet the yearly expenses of a school, while the original cost of the undertaking, occasioned chiefly by the erection and purchase of the school-house, prevents it from being attempted. Your Committee conceive that a sum of money might be well employed in supplying this first want, leaving the charity of individuals to furnish the annual provision requisite for continuing the school" (*Third Report of Select Committee on the Education of the Lower Orders*, in *Reports*, 1818, iv. 59). In accordance with these views Lord Althorp succeeded in 1833 in obtaining some grants to defray the first cost of elementary schools. The work of adult education which was being vigorously carried on in Mechanics' Institutes, though begun somewhat earlier, received a new impulse at this time.

of this trade or that, and had prophesied ultimate and serious loss¹. It seems as if it would have been impossible for the humanitarians, even with the sympathy of some of the landed gentry and the approval of unrepresented artisans, to make any impression on the phalanx opposed to them, if it had not been for the results obtained by Robert Owen. In his mills at New Lanark he realised the ideals of the humanitarians of the day. His system attracted very general attention, and though it was not destined to last, it sufficed to demonstrate that extraordinary improvement, in conditions of work and habits of life, was not by any means necessarily incompatible with commercial success. From the first he made the condition of the living machinery the main object of his consideration; and what he accomplished was wonderful. In the sphere which came within his own control, he anticipated most of the reforms which were carried through subsequently by legislation. But the principles by which he accounted for his own success, and on which he based his advocacy, were not generally acceptable, so that comparatively few of those who admired him were able and willing to work with him. His enthusiasm and personal character commended him to a wide and influential body of the public, but his economic principles² roused the scorn of the experts³, and his attitude towards Christianity alienated the sympathy of some of his supporters.

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—1850.

Robert
Owen had
extra-
ordinary
practical
success

Robert Owen had already acquired considerable experience in the cotton trade in Manchester before 1797, when an opportunity occurred for him to take over the management of mills at New Lanark. The situation was excellent, as there was abundance of water-power, and labour had been

at New
Lanark,

¹ It was in no small degree the work of John Stuart Mill that this opposition has so greatly ceased; and that economists have so largely devoted themselves to the conscious and reasoned pursuit of philanthropic objects. It was in connection with the abolition of slavery that the forebodings of the economists were most nearly fulfilled; Cairnes, the most brilliant of the followers of Mill, in his *Slave Power* demonstrated the economic weakness of the system which the philanthropists condemned on moral grounds.

² He was opposed to the doctrines of Malthus, he advocated the limitation of machinery, and cherished some curious notions about the currency. *Life of R. Owen*, written by himself. Supplementary Appendix, 266.

³ Compare the criticism in the *Edinburgh Review* (Oct. 1819), xxxii. 467.

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not only in
his schools
and co-
operative
store, but

attracted in considerable quantities from the Highlands. The mills had been admirably managed by Mr David Dale, who had established them¹, and Owen made few changes at first. After he had had fourteen years' experience, the business at New Lanark was reconstructed on lines which gave him a freer hand to develop educational institutions²; these were partly supported by the profits of a shop at which articles of good quality were sold in small quantities at moderate prices. About the same time he formulated his doctrines more definitely in his *New View of Society*³; he insisted on the

¹ See the account by Sir T. Bernard in the *Reports of the Society for Bettering the Condition of the Poor*, II. 251. Mr Dale took workhouse children at an early age, but though they were well fed and cared for, Owen regarded the arrangement as injurious and discontinued it. *Reports, etc.* 1816, III. 254.

² Owen's evidence before the Committee in 1816 is very instructive. "There is a preparatory school into which all the children, from the age of three to six, are admitted at the option of the parents; there is a second school, in which all the children of the population from six to ten are admitted; and if any of the parents from being more easy in their circumstances and setting a higher value upon instruction, wish to continue their children at school, for one, two, three or four years longer, they are at liberty to do so.

"A store was opened at the establishment into which provisions of the best quality, and clothes of the most useful kind were introduced, to be sold at the option of the people, at a price sufficient to cover prime cost and charges, and to cover the accidents of such a business, it being understood at the time that whatever profits arose from this establishment these profits should be employed for the general benefit of the workpeople themselves; and these school establishments have been supported as well as other things by the surplus profits, because in consequence of the pretty general moral habits of the people there have been very few losses by bad debts, and although they have been supplied considerably under the price of provisions in the neighbourhood, yet the surplus profits have in all cases been sufficient to bear the expense of these school establishments; therefore they have been literally supported by the people themselves.

"I have found other and very important advantages in a pecuniary view from this arrangement and these plans. In consequence of the individuals observing that real attention is given to their comforts and to their improvements, they are willing to work at much lower wages at that establishment." He added an example of a man getting 18s. a week, who went to Glasgow for 21s. and was glad to come back for 14s.

The schools did not succeed in Manchester because the children could go into the manufactories younger. Owen only took them at 10. "I found that there were such strong inducements held out, from the different manufactories in the town and neighbourhood, to the parents, to send the children early to work, that it counterbalanced any inclination such people had to send them to school." *Reports*, 1816, III. p. 256, printed pagination 22.

³ "Any general character from the best to the worst, from the most ignorant to the most enlightened, may be given to any community even to the world at large, by the application of proper means; which means are to a great extent at the command and under the control of those who have influence in the affairs of

possibility of so moulding the characters of individuals that they might find personal happiness in conduct which conduces to the common good, and he supported his principles by facts drawn from experience among his own workmen. For the next ten years the arrangements and organisation at New Lanark attracted thousands of visitors; as Owen appeared to have demonstrated the possibility of providing the best conditions for the training of children, and bringing elevating influences to bear on the hands, in connection with the working of a large mill. The success which was due to his personal business ability, he himself regarded as testifying to the wisdom of his doctrines; his desire to give them more thorough effect, led to differences with his partner, and in 1829 he severed his connection with New Lanark. From this time he became more of a dreamer and lost much of the remarkable influence he had exercised; the failure of experiments to organise establishments on his principles at Orbiston¹, and at New Harmony² in Indiana, discredited him still farther; but the impression created by his work at New Lanark had been invaluable in convincing the public that deliberate attempts to improve the condition of the operatives were far from hopeless. Others were inspired to emulate his example, and it is hardly possible to exaggerate the effect of the impulse he gave to the work of social amelioration. [His influence was felt in many ways, but it was in connection with factory reform that it proved most potent. He did not attempt to adapt the system of by-gone days to the needs of the present³, but he boldly made a new departure, in the hope of introducing an infinitely better future. The improvement of character was the aim he put chiefly before him, but, as a means to that end, he became the pioneer of industrial reform. He fought all the evils of the day,—the stunting of children in mind and body, insanitary conditions of work and life, and truck; he demonstrated

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—1850.

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aging his
mill so as to
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the eleva-
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operatives
in
character.

men. *A New View of Society or Essays on the principles of the formation of the Human Character preparatory to the development of a plan for gradually ameliorating the condition of Mankind.* First published in 1818 (1816), 19.

¹ This was conducted, after 1826, on communistic principles.

² Booth, *Robert Owen*, 97—104.

³ As had been done in the first Factory Act. See above, p. 631.

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the practicability of improvement by setting an example, and he was ready to join in inducing the Government to enquire into the system and introduce remedial legislation¹. But this was not a task that could be carried through at once. It required a long continued agitation, and years of legislative and administrative activity, to bring up the conditions of textile industry in the country generally to those which he had voluntarily introduced in connection with his own works.

*The status
of workmen
was
improved*

267. The influence of the economic experts had been used for the most part to justify the views of the capitalists and manufacturers. Their main efforts had been directed to sweeping away restrictions on the employment of capital, but they were after all in sympathy with any changes which gave greater freedom and independence to the labourer. So far as his position was concerned, the principles of *laissez faire* had a constructive, as well as a destructive tendency. There were various ways in which the individual labourer was hampered in the effort to obtain employment on the best terms available. His opportunities for bargaining were restricted by the legislation which prevented him from enjoying freedom of movement, and also by the Combination Acts which refused him the liberty to associate himself with his fellows for the prosecution of their common interests. These limitations, on whatever grounds they might be excused, were infractions of personal liberty, and as such seemed to be inconsistent with generally accepted principles.

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In regard to the restrictions on freedom of movement there was, about 1820, a general consensus of opinion in favour of sweeping them away. The hindrances which prevented artisans from travelling within the country had never been intentionally imposed; they had grown up incidentally since the Restoration in connection with the administration of the poor law. The overseers of each parish were careful to prevent any artisan from being hired for a year, as that period of service gave him a settlement or the right to relief in his new locality². As a consequence the eighteenth century

¹ See below, p. 776.

² The Act had the effect of gradually revolutionising the conditions of employment in rural districts. "The fear that in hiring a servant or treating a servant

labourers were almost as closely astricted as the mediaeval villeins to the places of their birth for permanent engagements. This restriction, the injustice of which had been denounced by Tucker¹, was first set aside in the case of members of Friendly Societies by Mr Rose's Act², and according to a subsequent measure, no person was liable to removal until he had actually become chargeable³. The Act of 1834⁴, by abolishing settlement by service, did away with the motive for preventing the incursion of new comers; and the legislation of 1865, which constituted one year's continuous residence a title to irremovability, and abolished removal from one parish to another within the same union, has gone a long way to reduce the mischief of the system to a minimum⁵.

The restrictions on the emigration of artisans were of a different character; these had been originally introduced with a view to protecting our own industries, and preventing the disclosing of trade secrets to foreigners⁶. The hardship

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and by
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tions on
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in any way that might be construed into a yearly hiring, the employer, for the temporary advantage of the service which he could obtain nearly as well in another way, should subject himself and all his parish to a permanent charge, operated immediately to put an end throughout England and Wales to all permanent and annual hirings. Previously, the Statutes of labourers and the habits of the country made the yearly service the common rule in all such transactions; but from the time when the Acts of William's reign gave the settlement by a year's hiring and by a year's service, it became necessary to make a break in the engagement and employment, or to make the contract but a part of the year. The interval of non-employment thus caused, being almost universally at one time—Michaelmas,—became a time of idleness and corruption, especially to the younger people.

"The practice of keeping in the same house, whether of the gentry, the farmers, the tradesmen, or the artisans, of young lads and maids as part of the family, which had been universal before, was now as universally abandoned; an irretrievable national loss, by which a valuable moral education and an economical and industrial training of the very poorest and most numerous class of the people was sacrificed for ever.

"The servants thus thrown out, the young people thus cut off from permanent, comfortable and improving employment, were made an incumbrance of the over-peopled cottages, of their families, idlers on the road side or common, and with fearful rapidity the tenants of the pariah houses, and the dependents on parochial relief. The more mature in age became the frequenters of the ale-shops, the complaint of the growth of which accompanied the progress of able-bodied pauperism and of poaching, and other rural crimes from this time forwards." Sir G. Coode, *Report on the Law of Settlement*, in *Reports*, 1851. xxv. 272, printed pag. 78.

¹ *Manifold causes of the Increase of the Poor* (1760), p. 6. Also by A. Smith, *Wealth of Nations*, 58, 191. ² 83 Geo. III. c. 54. ³ 85 Geo. III. c. 101.

⁴ 4 and 5 W. IV. c. 64. ⁵ Mackay, *op. cit.* III. 364. ⁶ See above, p. 587.

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caused by these measures was generally admitted; and a Parliamentary Committee of 1819, on the Relief of the Poor¹, expressed a decided opinion that "all obstacles to seeking employment wherever it can be found, even out of the realm, should be removed and every facility that is reasonable afforded to those who may wish to resort to our own colonies, for it seems not unnatural that this country should at such a time recur to an expedient which has been adopted successfully in other times, especially as it has facilities for this purpose which no other state has ever enjoyed to the same extent, by the possession of Colonies affording an extent of unoccupied territory."

as well as
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In 1824 a Select Committee of the House of Commons was appointed to make enquiries and take steps for the removal of these disabilities. Huskisson and other statesmen, who were adherents of the school of Adam Smith, were quite ready to recognise the injustice of imposing any obstacles on freedom of individual movement and were prepared for the repeal of the Acts against emigration², but they were by no means clear that it was wise to remove the Combination Laws. Baneful as the Acts were, in creating an atmosphere of suspicion and distrust and forcing the artisan into criminal surroundings, there was some doubt as to the probable effects on the industry of the country, if the measures were repealed, and liberty of association extended to the artisan as well as to other Englishmen. The question of including these Acts in the measure, which was being framed for the removal of other restrictions, long hung in the balance; but some of the most eminent *laissez faire* economists had the courage of their principles. McCulloch, who was then editor of the *Scotsman* newspaper, was fully convinced on this point, and in a trenchant article in the *Edinburgh Review*³ he demonstrated the injustice of the Combination Laws, and argued that no serious mischief could result from their repeal. It is scarcely likely, however, that the experiment would have been tried, if it had not been for the vigour with which

¹ *Reports*, 1819, ii. 257.

² This was effected by 5 Geo. IV. c. 97, *An Act to repeal the Laws relative to Artificers going into foreign parts*.

³ Jan. 1824, Vol. xxxix. 815.

Francis Place, a London tailor¹ who had been deeply impressed by the injustice and impolicy of the Acts², marshalled the evidence against them, and the sturdiness with which Joseph Hume fought for repeal. He insisted on including the Combination Laws in the reference to the Select Committee, he drafted the resolutions³ which were based on the evidence presented, and he succeeded in carrying the measures with a minimum of discussion in both Houses⁴.

And then the trouble began. The immediate effect of the repeal was the outbreak of a number of strikes, which could not now be suppressed in the old fashion; the forebodings of the opponents of repeal were confirmed, and the expectations of Place and his friends were completely falsified⁵.

¹ This remarkable man, with the assistance of the *Gorgon*, organised the whole campaign which was eventually successful; he convinced both Hume and McCulloch, the public champions of the cause, of the mischief wrought by the Acts. Webb, *History of Trade Unionism*, 88.

² He was specially impressed by the injustice committed in the prosecution of the *Times* printers in 1810, when curiously enough this case proceeded under the common law of conspiracy and not under the Combination Act of 1800 at all. *Place Papers*, Brit. Mus. Add. MSS. 27801, p. 282. The men were imprisoned for two years, whereas three months was the greatest penalty that could be inflicted under the Act of 1800. The *Times* wrote in a leader on the subject (June 4, 1824), *Place Papers*, 27801, p. 164. "The aggrieved party did not choose to prosecute upon the Combination Laws, and for an obvious reason, because he knew that by those laws the offenders could only be sentenced to two or three months' imprisonment, and that they had funds subscribed to maintain all of them in idleness for a much longer period. He therefore went upon the Common Law of the land for conspiracy, and obtaining sentences of two years', of eighteen months' and of nine months' duration (though he himself sued for a remission to the penitent as soon as they were penitent) yet he by that method ruined their funds whilst he was anxious that their persons should suffer as little as possible." Under these circumstances it is very singular that Place should have taken this case as typical of the injustice wrought by the Acts. He writes "It was this prosecution and its fatal consequences that made me resolve to endeavour to procure the repeal of the laws against combination of workmen." (Place, in Brit. Mus. Additional MSS. 27, 798, p. 7 back). It is still more singular that he should have been so satisfied with the repeal of the Acts when the Common Law remained. The statement of the *Times* does not seem to have been taken into account by a recent commentator on the law of combination. Wright (*Law of Criminal Conspiracies and Agreements*, p. 56) holds that there was no rule of common law that combinations for controlling masters were criminal in the 18th century, and that cases decided since 1825 afford a "modern instance of the growth of a crime at common law by reflection from statutes and of its survival after the repeal of those statutes."

³ *Sixth Report of Committee on Artisans and Machinery* (1824), v. 589.

⁴ Wallas, *Life of Francis Place*, 216. 5 Geo. IV. cc. 95, 97.

⁵ Place persisted in his opinion that the repeal of the laws would bring about a disuse of combination eventually, though it was obvious that it had not done so at once. "Temporary associations, or combinations, as well of masters as of men,

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which disappointed
the advocates of
repeal,

the Combination
Acts were
not re-imposed,

McCulloch had argued that peaceful combinations among workmen might raise the rate of wages in any trade, if they had fallen below the normal level; he held that combinations were powerless to raise wages above the natural rate. He argued that if they did so temporarily, there would be a diminution in the opportunities of employment offered by masters, and that this would soon work the needed cure, without legislative intervention; he was quite convinced that the working classes incurred heavy losses and could not possibly gain by engaging in strikes. It was a great disappointment to the men, who had worked so hard in the cause of repeal, that the first use which the working classes made of their freedom was to embark in a course of conduct that their advocates, as well as their opponents, regarded as necessarily mischievous, not only to the country as a whole, but to the operatives in particular. The dislocation of business in many places became very serious. The Thames shipbuilding trade was completely disorganised; despite the efforts of Hume and Place to prevent them¹, the Glasgow cotton-weavers came out on strike; and there were similar trade disputes in many parts of the country.

It was little wonder that the great shipowners and other employers² were roused to demand the re-enactment of the laws which had been so recently repealed, and drafted a bill to be laid before Parliament. Mr Huskisson had been much influenced by the ship-builders³, and the opinion he had held as to the necessity of retaining the Combination Laws was so far confirmed by the results, that he was glad to have another Committee on the subject. According to Place⁴, he intended to hold a formal enquiry, and thus give apparent sanction to the determination he had already taken to carry the shipowners' bill for re-enacting the laws. Hume and Place set themselves to balk this design: the operatives, who had formerly been

must occasionally take place; money matters can be regulated in no other way and by no other means; but beyond these there will be very little association of any kind, nothing deserving the name of combination in the sense this word is usually understood." *Observations on Mr Huskisson's Speech on the Laws relating to Combinations of Workmen* (1825), p. 21.

¹ Wallas, *Life of Francis Place*, 218.

² The great strike of woolcombers at Bradford was imminent, and the employers urged the desirability of re-enacting the Laws. Burnley, *Wool and Wool-combing*, 168. ³ Wallas, *Life of Francis Place*, 226. ⁴ *Ib.* 226.

apathetic on the subject, were now keenly alive to the advantage of retaining their new-found freedom; and on the main issue they were successful, for Trade Unions were permitted to exist, but the operatives and their friends were defeated on one very important point. The Act of 1824¹ had protected combined workmen from prosecution for criminal conspiracy under the common law, and this privilege was not continued²; though the enacting clauses of the Act of 1825 appeared to Place to confer this immunity³. The responsible authorities, however, construed the Act differently; being disinclined to give the unions free scope to develop, they took advantage of every opportunity to show the suspicion they felt⁴. Henceforward Trade Unions had a legal right to exist, but their members were in constant danger of overstepping the narrow limits within which combined action was admissible⁵. But agreement

and the right of forming Trade Unions was established;

¹ 5 Geo. IV. c. 95 § 2.

² It seems that the Committee hoped that the operation of the Common Law should be in future rendered more favourable to the workmen. "Your Committee however in recommending that the common law should be restored are of opinion that an exception should be made to its operation, in favour of meetings and consultations amongst either masters or workmen, the object of which is peaceably to 'consult upon' the rate of wages to be either given or received, to agree to co-operate with each other in endeavouring to raise or lower it, and to settle the hours of labour; an exception, they trust, which, while it gives to those in the different classes of masters and workmen the ample means of maintaining their respective interests, will not afford any support to the assumption of power or dictation in either party to the prejudice of the other, least of all that assumption of control on the part of the workmen in the conduct of any business or manufacture which is utterly incompatible with the necessary authority of the master, at whose risk and by whose capital it is to be carried on." *Report from the Select Committee on the Combination Laws* (1825), iv. 508.

³ Wallas, *op. cit.* 288. Place evidently had no great confidence in this view, however. The nature of the difference between the two Acts may be rendered clear when we recall the fact that a recurrence of the printers' prosecution and sentences in 1810, which would have been prohibited by the Act of 1824, was perfectly possible under the Act of 1825. See above, p. 757 n. 2.

⁴ When, in August 1833, the Yorkshire manufacturers presented a memorial on the subject of "the Trades Union," Lord Melbourne directed the answer to be returned that "he considers it unnecessary to repeat the strong opinion entertained by His Majesty's Ministers of the criminal character and the evil effects of the unions described in the Memorial," adding that "no doubt can be entertained that combinations for the purposes enumerated are illegal conspiracies, and liable to be prosecuted as such at common law." Webb, *Trade Unionism*, p. 127.

⁵ "Although combination for the sole purpose of fixing hours or wages had ceased to be illegal, it was possible to prosecute the workmen upon various other pretexts. Sometimes, as in the case of some Lancashire miners in 1832, the Trade Unionists were indicted for illegal combination for merely writing to their employers that a strike would take place. (*R. v. Bykerdike*, 1 Moo and Rob, 179, Lancaster Assizes, 1832. A letter was written to certain coal-owners, 'by order

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were de-
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in the
struggles at
Bradford*

to engage in a strike had ceased to be in itself criminal; the weapon which the operatives thus secured was one which might be used very unwisely and foolishly, but it was something to have a weapon, and to be able to try to enforce their own side in trade disputes. In 1824 the operatives had been fairly successful in bringing pressure to bear¹ on their employers; but owing to the depressed state of trade, the conditions in the following years were less favourable, and the unions failed in their attempts to stop the reduction of wages. The most severe contest occurred in the wool-combing trade at Bradford; a strike was organised by a large union among the hands, which received much support from sympathisers in other towns. The committee were able to pay as much as £800 or £900² a week to the men on strike, and the operatives succeeded to a very large extent in boarding out their children during the summer months; the men appeared to be holding well together, while there were some dissensions among the masters, who had entered on an aggressive policy and were endeavouring to break up the union altogether. The Leeds wool-combers joined those of Bradford in their strike; but, after standing out for twenty-two weeks, the men were forced to give in on every point, and returned to work at the wages which they had been receiving five months before; this, according to the contention of the masters, was the highest rate that the trade would bear. The loss in wages amounted to £40,000, though something like half this sum had been received in the form of subscrip-

of the Board of Directors for the body of coal-miners,' stating that, unless certain men were discharged, the miners would strike. Held to be an illegal combination. See *Leeds Mercury*, May 24, 1834.) Sometimes the 'molestation or obstruction' prohibited in the Act of 1825 was made to include the mere intimidation of the men's intention to strike against the employment of non-unionists. In a remarkable case at Wolverhampton in August, 1835, four potters were imprisoned for intimidation, solely upon evidence by the employers that they had 'advanced their prices in consequence of the interference of the defendants who acted as plenipotentiaries for the men,' without, as was admitted, the use of even the mildest threat. (*Times*, August 22, 1835.) Picketing, even of the most peaceful kind, was frequently severely punished under this head, as four South-wark shoemakers found, in 1832, to their cost. (*Poor Man's Guardian*, September 29, 1832.) More generally the men on strike were proceeded against under the laws relating to masters and servants, as in the case of seventeen tanners at Bermondsey in February 1834, who were sentenced to imprisonment for the offence of leaving their work unfinished. (*Times*, February 27, 1834.)" Webb, *Trade Unionism*, pp. 137-8.

¹ Webb, *Trade Unionism*, p. 99.

² Burnley, *Wool and Wool-combing*, 169.

tions to the union. When the work was taken up again some A.D. 1776
 seventeen hundred men found that their places were occupied —1850.
 and that they could not return to the employment they had
 given up¹. Their union was broken up; and a six months' ^{and}
 strike among the carpet-weavers at Kidderminster was also ^{Kidder-}
 a disastrous failure. The repeal of the Acts seemed to have ^{minster,}
 done nothing for the benefit of the operatives; but, though the
 loss from trade disputes has been very great, it was an immense
 advantage to the community that these differences could be
 fought out above-board and not by secret and criminal
 means, while the working classes have gained enormously in
 self-respect and independence by the fact that they were not
 debarred from fighting their own cause. The moral effect of
 the repeal, in removing the sense of helplessness and apathy
 which had oppressed the working classes, was extraordinary,
 and it marks an era in the history of Trade Unions. Hitherto
 they had either been secret societies of a most unwholesome
 type, since they could only hope to attain their objects by
 criminal action, and were sometimes held together by a species
 of terrorism, or they had been constituted as Friendly Societies
 and engaged surreptitiously in trade affairs; but from this
 time onward the action of Trade Unions, which existed for ^{but by com-}
 the purpose of maintaining the standard of life² among ^{bining to}
 particular class of artisans, could be clearly differentiated ^{maintain}
 from other benefit societies. ^{the stand-}
^{ard of life}

The changed status which the artisans secured by the

¹ The Bradford manufacturers were inclined to forestall the recurrence of such demands by the introduction of machinery. Though so many years had elapsed since Cartwright's wool-combing machine had been invented, it had not as yet been generally introduced; despite the commotion which had attended its first introduction some thirty years before, the wool-combers appear to have believed that the scare was idle, and that machines could not really compete with hand labour, except perhaps in wools of a special sort, the combing of which was badly paid. In 1826, the men still shared this confidence, and the assertion that the masters would introduce machinery was regarded as an empty threat. There can be but little doubt that the events of that year, disastrous alike to masters and men, gave a stimulus to the improvement and introduction of machinery, and before 1845 the trade was completely revolutionised.

² *The Select Committee on Manufacturers' Employment* (1830) recognised the advantage which accrued to the London tailors and other organised trades from the fact that they had funds from which an out-of-work benefit was paid. They proposed the extension of friendly societies which should have this object, but which would not as they hoped act as combinations to keep up the rate of wages in the manufacture of articles of export. *Reports*, 1830, x. 228.

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repeal of the Combination Acts had very little immediate and apparent result as gauged by the improved terms they obtained from their employers, but for all that it was of fundamental importance. The alliance which Place effected between the advocates of artisan interests and the Radicals in Parliament was exceedingly significant; eventually it proved to be extraordinarily fruitful. To the public the Trade Union appeared to be an immoral terroriser, oppressing the individual; but the Radicals, whom Place instructed, insisted that the questions which had been raised should be decided in such a sense as to give legal protection to the individual labourer in asserting his claims. The Radical sense of justice demanded that the labourer should be in the same position as the employer in this matter, and that the combination of labourers should not be regarded as a crime, when the combinations of masters were permitted to exist. The Radical sense of justice was also involved in the assertion of the principle which lay at the basis of Trade Union agitation up till 1875,—that no action which was legal, if done by other persons for other purposes, should be condemned as criminal when it was done by a Trade Union for trade purposes.

The association of labour movements with Radicalism has brought about a new cleavage in English political life. Hitherto the landed gentry had been inclined to take the responsibility of doing their best to protect the labourer from the capitalist and moneyed man; but they were now viewed with suspicion by the artisans, for the corn-law agitation had opened up a wide gulf between the industrial and agricultural interests. Nor were the Whigs, who came into power with the Reform Bill, inclined to break with their capitalist connection, and to trust the artisan with any real power in the matters which concerned him most deeply. The Radicals had insisted that he should have fair play, so far as the administration of the law was concerned; and this result was attained in 1875 by measures¹ passed in the first House of Commons in which the power of the enfranchised artisans was clearly felt².

¹ The Conspiracy and Protection of Property Act and Employers and Workmen Act (38 and 39 Vict. 86, 90).

² Webb, *Trade Unionism*, 270. The fact that the Conservatives were then in power did not greatly affect the attitude of working class leaders towards political parties.

268. The poor law system, as administered during the first quarter of the nineteenth century, was not the least of the evils of the time. It was terribly costly in money¹ and threatened to bring utter ruin on some of the rural districts², while the burden of maintaining the system pressed very heavily on men who were little able to bear it. The methods of relief³ adopted were demoralising. Sometimes assistance was given to the able-bodied poor in the form of food, or of fuel; more frequently they were enabled to obtain house-room on favourable terms, either by exemption from the rates⁴, or grants towards the payment of rent⁵. There were also various

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—1850.

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¹ The average charge in 1748, 49, 50 had been £689,971 yearly. In 1776 the whole sum raised expended on the poor was £1,556,804; on the average of the years 1788, 1784, 1785, the sum expended on the poor was £2,004,388; in 1808 the sum expended on the poor was £4,267,965; in 1815 the sum expended on the poor amounted to £5,072,028. *Report from the Select Committee on Poor Laws* (1817), vi. 5, also App. C, *Reports*, 1821, iv. 277.

² The inhabitants of the parish of Wombridge in Salop stated that "the annual value of the lands, mines and houses in this parish is not sufficient to maintain the numerous and increasing poor, even if the same were to be set free of rent." *Report from the Select Committee on the Poor Laws* (1817), vi. 158, App. D.

³ Mackay, *Public Relief of Poor*, pp. 52, 58—68.

⁴ *Report*, 1834, xxvii. p. 9. The evidence in regard to S. Clement's, Oxford, is interesting. "The rents are, in fact, levied to a considerable degree upon those who pay rates. In the first place, by the abstraction of so much property from rateable wealth, the remainder has to bear a heavier burden; secondly, the rents are carried to as great a height as possible, upon the supposition that tenements so circumstanced will not be rated; the owner, therefore, is pocketing both rate and rent; and thirdly, the value of his property is increased precisely in proportion that his neighbour's is deteriorated, by the weight of rates from which his own is discharged. Neither is this all; as it is always regarded by the tenant as a desirable thing to escape the payment of rates, the field for competition is narrowed, and a very inferior description of house is built for the poor man. In order to make out a case for the non-payment of rates, it is necessary to have inconveniences and defects; and thus it happens that a building speculation, depending upon freedom from rates for its recommendation, always produces a description of houses of the worst and most unhealthy kind. Those who would build for the poor with more liberal views, and greater attention to their health and their comfort, are discouraged, and a monopoly is given to those whose sole end is gain, by whatever means it may be compassed."

⁵ *Report*, 1834, xxvii. p. 9. "The payment of rent out of the rates is nearly universal; in many parishes it is extended to nearly all the married labourers. In Llanidloes out of £2,000 spent on the poor, nearly £800, and in Bodedern out of £360, £118, are thus exhausted. In Anglesea and part of Caernarvonshire, overseers frequently give written guarantees, making the parish responsible for the rent of cottages let to the Poor....Paupers have thus become a very desirable class of tenants, much preferable, as was admitted by several cottage proprietors, to the independent labourers, whose rent at the same time this mode of relief enhances. Of this I received much testimony; amongst others, an overseer of

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arrangements for securing employment to the poor; this was sometimes done by a parish when paupers were employed on the maintenance of roads¹, or even on the work of a small farm taken for the purpose². In other cases the paupers were roundsmen set to work by private persons, but partly at the parish expense³. Another practice which was specially

Dolgelly stated that there were many apartments and small houses in the town not worth to let £1 a year, for which, in consequence of parochial interference with rents, from £1. 14s. to £2 was paid: and the clerk to the Directors of Montgomery House of Industry mentioned an instance of a person in his neighbourhood who obtained 10 cottages from the land owner at a yearly rent of £18, and re-let them separately for £50; eight of his tenants were parish paupers.

"This species of property being thus a source of profitable investment, speculation, to a considerable extent, has taken that direction."

¹ The pauper labour was so unprofitable that this practice was being discontinued in 1834. "The superintendent of pauper labourers has to ascertain, not what is an average day's work, or what is the market price of a given service, but what is a fair day's work for a given individual, his strength and habits considered, at what rate of pay for that work, the number of his family considered, he would be able to earn the sum necessary for his and their subsistence; and lastly, whether he has in fact performed the amount which, after taking all these elements into calculation, it appears that he ought to have performed. It will easily be anticipated that this superintendence is very rarely given; and that in far the greater number of the cases in which work is professedly required from paupers, in fact no work is done. In the second place, collecting the paupers in gangs for the performance of parish work is found to be more immediately injurious to their conduct than even allowance or relief without requiring work. Whatever be the general character of the parish labourers, all the worst of the inhabitants are sure to be among the number; and it is well known that the effect of such an association is always to degrade the good, not to elevate the bad. It was among these gangs, who had scarcely any other employment or amusement than to collect in groups and talk over their grievances, that the riots of 1830 appear to have originated" (*Report*, 1834, xxvii. p. 21). At Eastbourne, where the pauper labourer received sixteen shillings and the independent workman was only paid twelve, no wonder that two women there should complain of the conduct of their husbands in refusing to better their condition by becoming paupers. *Ib.* p. 23.

² See, in regard to the farm of the incorporated parishes in the Isle of Wight, *Report*, xxvii. 28; also for cases in East Anglia, App. A, pt. i. 346.

³ "The Parish in general makes some agreement with a farmer to sell to him the labour of one or more paupers at a certain price, and pays to the pauper, out of the parish funds, the difference between that price and the allowance which the scale, according to the price of bread and the number of his family, awards to him. In many places the roundsman system is effected by means of an auction. Mr Richardson states that in Sulgrave, Northamptonshire, the old and infirm are sold at the monthly meeting to the best bidder, at prices varying, according to the time of the year, from 1s. 6d. a week to 8s.; that at Yardley, Hastings, all the unemployed men are put up to sale weekly, and that the clergyman of the parish told him that he had seen ten men the last week knocked down to one of the farmers for 5s., and that there were at that time about 70 men let out in this manner out of a body of 170." *Report*, 1834, xxvii. p. 19.

injurious to the chances of the non-pauper in securing employment was the labour-rate. By this system a ratepayer was obliged to employ a certain number of pauper labourers in accordance with his assessment; and to pay them regulated wages without reference to their work¹. An employer might thus be forced to dismiss good hands in order to give employment to inefficient paupers. But by far the most common form of relief was the granting of money allowances to supplement wages according to a definite scale², though the practice of different counties was dissimilar, and some had hardly adopted it at all³. The granting of allowances per child has been freely stigmatised as a mischievous stimulus to population⁴; as a matter of fact it was much worse; there is some evidence to show that it acted as a direct

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allowances

¹ *Reports, etc.*, 1834, xxvii. 108.

² The calculations for the original Berkhamstead scale have been preserved by Eden, *The State of the Poor*, i. 577. The Cambridge scale issued by the magistrates for the town of Cambridge on 27 November, 1829, was as follows—

"The Churchwardens and Overseers of the Poor are requested to regulate the incomes of such persons as may apply to them for relief or employment, according to the price of fine bread, namely,

"A single woman, the price of	. . . . .	8½	quartern loaves per week.
"A single man	"	4½	" "
"A man and his wife	"	8	" "
" " and one child	the price of .	9½	" "
" " and two children	"	11	" "
" " and three	"	13	" "

"Man, wife, four children and upwards at the price of 2½ quartern loaves per head per week.

"It will be necessary to add to the above income in all cases of sickness or other kind of distress; and particularly of such persons or families who deserve encouragement by their good behaviour, whom parish officers should mark both by commendation and reward." *Reports, etc.*, xxvii. 18.

³ In Northumberland, Cumberland, Lincolnshire, and parts of Worcestershire and Staffordshire, there was very little ground for complaint; in Suffolk, Sussex, Bedfordshire, Buckinghamshire, Dorsetshire and Wiltshire, things were at their worst. There was a serious difference in the rates of wages, and amount of relief allowed in the Wigan and in the Oldham districts of Lancashire. *Report from the Select Committee on Labourers' Wages*, 1824, vi. 405.

⁴ "A surplus population is encouraged; men who receive but a small pittance know that they have only to marry, and that pittance will be augmented in proportion to the number of their children. Hence the supply of labour is by no means regulated by the demand, and parishes are burdened with thirty, forty, and fifty labourers, for whom they can find no employment, and who serve to depress the situation of all their fellow-labourers in the same parish. An intelligent witness, who is much in the habit of employing labourers, states that, when complaining of their allowance, they frequently say to him, 'We will marry, and you must maintain us'." *Report from Select Committee on Labourers' Wages*, 1824, vi. 404.

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incentive to immorality¹. But the most patent evils arose from the fact that this scheme tended to render the inefficient pauper comfortable, at the expense of the good workman who really tried hard to earn his own living. The whole system must have had the effect of diminishing the rates of wages², and forcing men to depend upon assistance in one form or another from the rates. It was essential, if the rural population were to be rescued from dull acceptance of a miserable dependence³, that the system should be fundamentally changed.

In probing the existing evils, and devising possible remedies, several of the economic experts of the day did excellent service. Under any circumstances it would have been difficult to transform the system, but the task was rendered specially hard, since there were so many persons who had come to be directly interested in the maintenance of abuses and were opposed to any reform⁴. Some interesting

¹ Aschrott, *The English Poor Law System*, p. 80.

² "The practice of paying the wages of manufacturers out of the rates is strongly illustrated in the case of Collumpton, at a short distance from Tiverton, where the weaving of serge and cloth is carried on by two manufacturers...one of these manufacturers however receives at present regular annual payments from the parishes in the neighbourhood to employ their paupers, the sums paid being less than the cost of their support by the parishes...the first effect of such a measure was to increase the number of persons unemployed at Collumpton and consequently to reduce wages" (*Reports, etc.* 1834, xxvii. 43). This was not a solitary case. "A manufactory worked by paupers is a rival with which one paying ordinary wages of course cannot compete, and in this way a Macclesfield manufacturer may find himself under-sold and ruined in consequence of mal-administration of the Poor Laws in Essex." *Ib.* 43. Similar evidence comes from Leicestershire. "From the practice of parish officers, where trade is perhaps suffering under temporary depression, soliciting work for the number of men on their hands from the various manufacturers (at any price), and making up the remainder necessary for the support of their families out of the poor rate, good trade becomes in a great measure annihilated. Stocks become too abundant, and when a demand revives the markets are not cleared before a check is again experienced, the same practice is renewed by the parish officers, and thus the wily manufacturer produces his goods, to the great emolument of himself, half at the cost of the agricultural interest." *Ib.* 43.

³ See above, p. 720.

⁴ There was no end to the ramifications of the mischief in these pauperised parishes; many of the workhouses, which had once existed, had fallen into decay; and there was a great deal of perfectly safe business to be done in providing for the requirements of the paupers and obtaining payment from the parish. "The owner of cottage property," said Mr Nassau Senior, "found in the parish a liberal and solvent tenant, and the petty shop-keeper and publican attended the Vestry to vote allowances to his customers and debtors. The rental of a pauperised parish was, like the revenue of the Sultan of Turkey, a prey of which every administrator hoped to get a share." (*Edinburgh Review*, Vol. LXXIV. p. 23.)

enquiries had been instituted by a Select Committee in 1817; A.D. 1776
but no useful result accrued from their labours. Matters —1850.
dragged on till the Reformed Parliament set to work to
investigate the subject with characteristic energy, and a
Royal Commission was appointed in 1832.

The Report of the Commission¹ testifies to the most
curious variety in regard to the machinery for the adminis-
tration of relief in different districts², and to the disastrous ^{under various forms of}
results of the policy which had been generally pursued³. ^{administration.}
There were some exceptions which proved the rule. At
Southwell in Nottinghamshire, Sir George Nicholls had
given great attention to the management of the work-
house; under his advice out-door relief was refused to the
able-bodied, and given but rarely to others. The rates
were reduced by this means between 1820 and 1823 from
£2,006 to £517, and they remained at the latter figure⁴.
Similar experience was adduced from Bingham and Cookham
and Hatfield⁵, where the able-bodied men were only al-
lowed the opportunity of work at less than the current
rates of wages; but on the other hand there were parishes
where the pauper appeared to be supreme. At Cholesbury
in Buckinghamshire, the poor-rate had risen from £10. 11s.
in 1801 to £367 in 1832. Here the whole land was offered
to the assembled poor, but they thought it wiser to decline
and have it worked for their advantage on the old system⁶.
This was an extreme instance of an evil that existed in
different degrees throughout the country generally. The
Report of the Commissioners helps us to understand how
this disastrous state of affairs had been brought about; their
suggestions as to remedial legislation were based on a careful
diagnosis of the nature of the disease.

The whole machinery which had been created by the
Elizabethan statute had got out of working order; the
control which had been exercised by the Council in the period

¹ *Report from Commissioners for inquiring into the Administration and Practical Operation of the Poor Laws. (Reports, etc., 1834, xxvii.)*

² Many parishes retained the Elizabethan system, some were incorporated under Gilbert's Act, and some had private Acts. See p. 578 above.

³ See above, 719 n. 3.

⁴ Nicholls, *Hist. of Poor Law*, II. 229, 230; Becher, *The Anti-pauper System* (1828), 18.

⁵ *Reports*, 1834, xxvii.

⁶ Ashcroft, *op. cit.* 52.

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Neither the
overseers

before the Civil War had ceased to be effective. Here and there exceptional men devoted themselves to grappling with the difficulties of the task in the early part of the nineteenth century, and the poor relief in their localities was admirably managed; but there were no means of bringing the practice in other places up to this standard. Throughout the country generally the local authorities, whether parochial overseers or county justices, varied between a policy of extreme severity and one of unwise laxity. The duty of the overseers, as they had for the most part understood and acted upon it, had been that of defending the parish against the establishment of new claims upon it, and of relieving the poor without any unnecessary cost. The tradition of the office had been one of harshness; this is the impression conveyed by Dr Burns' pungent sentences in 1764. "The office of an overseer seems to be understood to be this: to keep an extraordinary lookout to prevent persons coming to inhabit without certificates, and to fly to the justices to remove them; and if a man brings a certificate, then to caution all the inhabitants not to let him a farm of £10 a year, and to take care to keep him out of all parish offices; to warn them, if they will hire servants, to hire them half-yearly,.....or, if they do hire them for a year, then to endeavour to pick a quarrel with them before the year's end, and so to get rid of them. To bind out poor children apprentices, no matter to whom, or to what trade, but to take especial care that the master live in another parish¹." It does not appear that there had been any marked improvement in the intervening period². Certainly in those

¹ Burn, *History of Poor Law*, 211.

² See Gilbert, *Considerations on the Bills for the Better Relief and Employment of the Poor* (1787), p. 11. Also the statement in 1834: "As a body I found annual overseers wholly incompetent to discharge the duties of their office, either from the interference of private occupations, or from a want of experience and skill; but most frequently from both these causes, their object is to get through the year with as little unpopularity and trouble as possible, their successors therefore have frequently to complain of demands left unsettled and rates uncollected, either from carelessness or a desire to gain the trifling popularity of having called for fewer assessments than usual. In rural districts the overseers are farmers; in towns generally shopkeepers; and in villages usually one of each of those classes. The superiority of salaried assistant-overseers is admitted wherever they exist, and in nearly all the instances where a select vestry has fallen into desuetude, the assistant-overseer has been retained. In short so bad is the annual system considered, that an enactment was frequently

parishes where the Elizabethan administration was retained and the office was an annual one, the duties were discharged in a most perfunctory manner¹. A.D. 1776
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It cannot be said, moreover, that the supervision exercised over these parochial officers by the county magistrates was either judicious or effective. They appear to have been disinclined to support the overseers in any case whatever. The officials had got a reputation for harshness; and the justices seem to have thought that the easy course was also the safe one, and as a matter of fact they almost invariably supported the claims of applicants for relief, however undeserving they might be². There seems to have been a nor the
justices

proposed for compelling all parishes to appoint and remunerate permanent overseers." *Reports*, 1834, xxvii. p. 66.

¹ The system of farming the poor-house presented the means by which the overseers could get rid of their responsibilities at least cost. It appears to have had disastrous results according to Sir W. Young, *Considerations on the subject of Poor-houses or Work-houses*, 1796, p. 8, and it does not even seem to have been economical. Compare *A Charge to the Overseers of the Poor*, by Sir T. Bernard. "We find, from the different returns throughout the kingdom, that, where work-houses have been farmed, though there was some saving at first, yet in a few years the expenses have thereby been greatly increased, and the poor-rate accumulated to an alarming amount. Where, indeed, a principal land-owner, or land-occupier, of a parish can be induced to contract for the parish workhouse, he has an interest in the permanent improvement of its condition, and in the diminution of the distresses of the poor; but where a vagrant speculating contractor visits your parish, with a view of making his incidental profit by farming your workhouse, we trust you will consider the Christian principle of doing as you would be done by; and that you will not confide the poor, whose guardian and protector it is your duty to be, to one, into whose hands you would not trust an acre of your land, or any portion of your own property." Hunter, *Georgical Essays*, ii. 179.

² "Dr Webb, Master of Clare Hall, the present Vice-Chancellor of the University, has acted as county magistrate for more than sixteen years; and being resident a great part of the year at his vicarage in Littleington, he has personally superintended the relief of the poor in that parish, as well as in Great Gransden, in Huntingdonshire, where the college has been obliged to occupy a farm of 700 acres, in consequence of their not being able to obtain a tenant for the same at any price. He is strongly of opinion that a great part of the burthen of actual relief to the poor arises from the injudicious interference of magistrates, and the readiness with which they overrule the discretion of the overseers. He has attempted in both the parishes above-mentioned to introduce a more strict and circumspect system of relief—with great success in Littleington, as appears by the descending scale of poor-rates in that parish since 1816;...the population at the same time having nearly doubled itself since 1801....In Gransden he has found less success, being seldom personally present there, and acting principally through his bailiff. Also he had had less time by some years for effecting any steady improvement in that parish. He showed me, however, by a reference to the books, that he had made the practice of allowing relief to married men, when

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misplaced sense of duty in this matter¹, and the liberal spirit in which they treated the particular cases which came before them, rendered it almost impracticable for a capable overseer² to render the parochial administration even temporarily efficient. As the Commissioners reported of the greater part of the districts they had examined, "the fund, which the 43rd of Elizabeth directed to be employed in setting to work

employed by individuals, in respect of their families, entirely disappear from the late accounts. The principal impediment to the introduction of a better system, he found in the power of the pauper, when refused relief by the overseer, to apply to the bench in petty sessions; which nothing but the advantage of an intimate knowledge of his own parishioners, and of uniting in himself the functions, not the office, of overseer and magistrate, enabled him, by perseverance, to overcome. The following case is a sample of their unwillingness to take the circumstances or character of the applicant into due consideration. He refused relief (Nov. 27th, 1829) to Samuel Spencer, knowing him to have received a legacy of 400l. within two or three years before the application. The man applied to the bench in petty sessions, where Dr Webb produced to them an extract from the will (proved 1826), and the assurance of the executor that he had paid the pauper money since proving the will, to the amount above-mentioned. Notwithstanding this, they made an order of relief; and the man (able-bodied) has been from time to time on the rates ever since." *Extracts from Information received*, pp. 125, 126. *Appendix to First Report from the Commissioners on the Poor Laws, 1834*, xxviii. p. 240.

¹ Prebendary Gisborne in writing on the duty of magistrates as regards the poor, seems to think, that their sole function was to be merciful, and not to help to render the system efficient. *Enquiry into the Duties of Man* (1796).

² "At Over," says Mr Power, "a village not far from Cottenham, I found a person of great judgment and experience in Mr Robinson, the principal farmer in that place. He is now serving the office of overseer for the fourth time. At present there are 40 men and more upon the parish; the average during eight months is 25. Part of this arises from farmers living at Willingham and Swavesey, occupying about one-fifth of Over parish; these persons employ none but Willingham and Swavesey labourers; it arises also in part from the growing indifference to private employment generated by the system of parish relief. A man with a wife and four children is entitled to 10s., and more from the parish for doing nothing; by working hard in private employ he could only earn 12s., and the difference probably he would require in additional sustenance for himself; consequently all motive to seek work vanishes. Coming into office this year, Mr Robinson found 12 married men on the box, some of the best men in the parish; he knew they could get work if they chose at that time; he set them to work digging a piece of land of his own at 8d. a rod; they earned that week only about 7s. 6d. each, though they might have earned 12s.; and the next week they disappeared to a man. He complains bitterly of the obstruction given to these exertions by the decisions of the magistrates; they are always against him, and he regrets some unpleasant words spoken to him very lately by one of the bench. On one occasion he had refused payment of their money to some men who would not keep their proper hours of work upon the road; they complained to the bench at Cambridge, and beat him as usual, and returned to Over, wearing favours in their hats and button-holes; and in the evening a body of them collected in front of his house, and shouted in triumph." *Reports, 1834*, xxvii. 77.

children and persons capable of labour, but using no daily trade, and in the necessary relief of the impotent, is applied to purposes opposed to the letter, and still more to the spirit of that Law, and destructive to the morals of the most numerous class, and to the welfare of all¹.”

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Considerable changes were needed to give effect, under altered circumstances, to the aims which the Elizabethan legislators had had in view. The Commissioners of 1832 advocated the introduction of one type of administrative machinery throughout the country generally², and advised the appointment of a Poor-law Commission, which might be a permanent authority in all matters of administration, and which might use its influence to bring up the practice of the local functionaries in every part of the country to a satisfactory level³. There was need for the reintroduction of a central authority to exercise a general supervision, as the Council had done in Elizabethan times.

there was
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a central
authority

They also proposed to adopt the safe course of being guided by actual experience in regard to the granting of assistance, and laid down the principle “that those modes of administering relief, which have been tried wholly or partially, and have produced beneficial results in some districts be introduced with modifications according to local circumstances, and carried into complete execution in all⁴.” The first recommendation which they made was that “of abolishing all relief to able-bodied persons or their families except in well regulated workhouses.” The re-institution of a workhouse test⁵, which had been abandoned in 1782 and 1795, was the corner-stone of the new policy⁶; but in order that this position might be secured, it was necessary that proper management

to intro-
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better
policy.

¹ *Reports*, 1834, xxvii. p. 8.

² On the whole they recommended the system which was in vogue in the Gilbert incorporations as a model for general adoption.

³ *Reports*, 1834, xxvii. 167. ⁴ *Ib.* 1834, xxvii. p. 146. ⁵ See above, 719 n. 3.

⁶ It is extraordinary to see how many years passed, after the House of Commons was convinced of the necessity of recasting the system, before the change was actually carried out. The *Report* of the Commons Committee in 1759 advocates a scheme which is similar in many features to that actually adopted (*C. J.* xxviii. 599); it appears to have been the basis of Mr Gilbert's first bill which passed the House of Commons in 1765 (*C. J.* xxx. 164) and was read a second time in the House of Lords (*L. J.* xxxi. 107) but never became law (*Parl. Hist.* xviii. 544 and xxii. 301).

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*The Poor
Law Com-
mission*

*reformed
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should be introduced, as the condition of the existing houses, especially in small parishes, was disgraceful in the extreme¹.

The Act of 1834, which embodied the recommendations of the Commissioners in a less stringent form than they would themselves have desired, was passed by large majorities². The new system did not get into complete working order for nearly ten years; but during that period, local administration was transferred to Boards of Guardians, elected for the purpose in each newly constituted union, and they employed salaried relieving officers³. A central authority was created in the Poor Law Commissioners, who were charged with the administration and control of public relief, and were empowered to make rules for the management of the poor, the government of workhouses, and the education and apprenticeship of poor children. Much of their time, during the first years of the Commission, was taken up with the formation of unions of parishes for the provision of workhouses, with introducing a proper classification of the inmates, and similar regulations in regard to discipline and diet, and with the laying down of orders in regard to the administration of relief. They were also given power to remove any workhouse master and any paid officer for incompetence, and without their permission no salaried officer might be dismissed. In this way the permanent officials were taught to look to the central government for orders rather than to the local board. Permanence was assured to them only if they obeyed the orders of the central government. The Act further directed the Commissioners

¹ A. Young, *Conduct of Workhouses*, 1798, in *Annals*, xxxii. 887. Also the following remarks of the Commissioners. "In such parishes, when overburthened with poor, we usually find the building called a workhouse occupied by 60 or 80 paupers, made up of a dozen or more neglected children (under the care, perhaps, of a pauper), about twenty or thirty able-bodied adult paupers of both sexes, and probably an equal number of aged and impotent persons, proper objects of relief. Amidst these the mothers of bastard children and prostitutes live without shame, and associate freely with the youth, who have also the examples and conversation of the frequent inmates of the county gaol, the poacher, the vagrant, the decayed beggar, and other characters of the worst description. To these may often be added a solitary blind person, one or two idiots, and not unfrequently are heard, from amongst the rest, the incessant ravings of some neglected lunatic. In such receptacles the sick poor are often immured." *Reports*, 1834, xxvii. 170.

² 4 and 5 Will. IV. c. 76.

³ Under the new régime the overseer was relieved of much of his responsibility and sank into the position of a rate-collector.

to make rules for outdoor relief. These rules, which forbade relief to the able-bodied, were only applied at first in the worst districts, but were gradually extended to the whole country¹. During the commercial depression of 1836, a great strain was put upon the new system, and the Commissioners came in for a full share of that unpopularity which the officials, under the older system, had so studiously endeavoured to avoid. Indeed there seemed to be some doubt as to whether Parliament would renew their powers, at the end of the five years for which they had been appointed. But the account of the work they had actually done, which they laid before Parliament, spoke strongly in their favour. Their powers were continued, from year to year, until 1842, and then for five years; before this term of office expired, they drew up the General Order of 1847; this lays down rules for continuing to work the new system² which the Commissioners had introduced. The public were beginning to realise, moreover, that the functions which had been discharged by the Commissioners could not be discontinued; and the Poor Law Board was organised as a permanent Government department in 1847³. The whole of England was divided into eleven districts, over which Inspectors were appointed. It became their duty to see that the orders of the central authority were carried out, while supervision over local bodies could be exercised by the systematic audit of their accounts. The new department was also brought into closer relations with the House of Commons. The Commissioners had been occasionally placed in a disagreeable position from the fact that there was no official to defend their conduct when it was criticised in Parliament; but under the new Act the President of the Board was eligible to sit in Parliament and

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been re-
organised
as a
permanent
depart-
ment.

¹ This was done by the Outdoor Relief Prohibitory Order of 1844.

² Aschrott, *op. cit.* 47. Sir I. F. Lewis, Sir J. G. Shaw-Lefevre, and Sir George Nicholls were the three Commissioners who accomplished this great work. Chadwick was their secretary. Their action, of course, was deeply resented by the paupers and those who were interested in the abuses of the old system; but it also found many critics among doctrinaire politicians, who were afraid of the influence of centralised departments, and anxious that those who raised the money for the rates should have a full responsibility for the manner in which it was employed. McCulloch, *Principles of Political Economy*, 424.

³ The Poor Law Board was merged in the Local Government Board in 1871.

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—1860.

answer for the proceedings of his department, or initiate legislative improvements. By the establishment of a central authority with a power of control, similar to that which had been exercised by the Council in the time of Elizabeth, the worst evils which had characterised the long era of chaos were brought to an end. But the new administrative system, in all its parts, was the creation of Parliament; it was in complete accord with the institutions of a country which, while still preserving a monarchical form of government, had come to be very democratic in fact.

*The Economists
feared that
any shortening of
hours*

269. When Parliament was dealing with such matters as the removal of the personal disabilities of workmen and the reform of poor law administration, the philanthropists and the economists could unite in approving the changes. It was a different matter, however, when public attention was called to the baneful conditions under which work was carried on. Antagonism began to develop at once. The economists believed that any shortening of hours would certainly involve a reduction of the output, and that a reduction of wages must necessarily follow. They were of opinion that this decrease of command over the comforts and requisites of life would be fraught with serious evil for the poorer classes. Since it involved this prospective loss of wages and food, any gain to health, that might accrue from shortened hours, seemed to them wholly illusory. The agitators seemed to be mere sentimentalists, who wilfully shut their eyes to plain facts; the crusade might have appeared more reasonable, if the English manufacturers had had a monopoly and could conduct their business as they pleased; but in the existing conditions of trade, the employers felt that they were not free agents, and resented being branded as criminals. Foreign tariffs were prohibitive, and foreign industry was advancing; and as the restrictions on the import of corn hindered the sale of our goods abroad, manufacturers found it difficult to make any profit. It was stated in 1833 that for the seven preceding years, the cotton-spinners had hardly been able to carry on business at all¹, that the trade was in a most uncertain condition, and that capital was

¹ 3 Hansard, xix. 897.

being frightened away to new investments¹. The phil-^{A.D. 1778}
anthropists were inclined to assume that English textile manu-^{—1850.}
facturers had such a commanding position that, even if the
hours were reduced and the cost of production increased, we
could still hold our own. Many of the operatives hoped that,
when the product was limited, prices would rise and their
own wages would improve². But this optimist view had ^{would drive}
little to support it. The cotton manufacture was springing ^{away trade}
up, both in the United States and in France; the annual
output of these two countries alone was two-thirds of that of
Britain³, and there was a real danger of driving away trade,
and therefore employment, altogether. As Lord Althorp said,
when criticising the original form of the Factory measure in
1833, "Should its effect be (and he feared it was but too
reasonable to apprehend it might be) to increase the power
of foreigners to compete in the British market, and so to
cause the decline of the manufacturing interest of the country
* * * so far from a measure of humanity it would be ^{and add to}
one of the greatest acts of cruelty that could be inflicted⁴." ^{the distress}
Under these circumstances it is impossible to regard the ^{of the}
opponents of the Factory Acts as necessarily callous to ^{artisans,}
human suffering.

At the same time the economic experts concentrated their ^{but they}
attention so much on the production of increased quantities ^{were not}
of material goods, as the only means by which amelioration ^{ready to}
could be effected, that they seemed to attach very little ^{welcome}
importance to measures for the direct protection of human ^{interference}
life, even in cases when there was no reason to fear foreign ^{even where}
competition. The chimney-sweep boys were a class who ^{foreign}
were subjected to brutal ill-treatment; an attempt had been ^{competition}
made to regulate the trade in 1788⁵, but this measure was ^{was im-}
very ineffective, to judge by the shocking revelations which ^{possible.}
were made before the Parliamentary Committee of 1816⁶.
The *laissez faire* economists were not easily impressed how-
ever, and their quarterly organ, after reciting some of the

¹ *Reports, etc.*, 1833, xx. 54, 371.

² *Ib.* xx. 40.

³ 3 Hansard, xix. 911.

⁴ *Ib.* 231.

⁵ 28 Geo. III. c. 48.

⁶ *Report from the Committee on Employment of Boys in Sweeping of Chimnies.*
Reports. 1817, vi. 171.

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terrible suffering that was wantonly inflicted, continues: "After all we must own that it was quite right to throw out the Bill for prohibiting the sweeping of chimneys by boys—because humanity is a modern invention; and there are many chimneys in old houses that cannot possibly be swept in any other manner¹." The agitation on the subject continued, however, and much more stringent rules were successfully introduced in 1834².

From the
influence of
Robert
Owen

UTURN

In the meantime, public attention was being steadily directed to the factory children, and to the prejudicial effects of the long hours during which many of them were accustomed to work. The Act of 1802 was easily evaded, as children who were not regularly apprenticed did not obtain protection under it. The impulse for a fresh agitation on the subject was given by Robert Owen³, who aimed at reconstituting the conditions of factory life, so that a better type of factory operative might be developed. He did not aim merely at protecting individuals, but at introducing a better system. In 1815 he published his *Observations on the effect of the manufacturing system, with hints for the improvement of those parts of it which are most injurious to health and morals*, and endeavoured to interest Sir Robert Peel in the passing of a fresh Act, which should render some of the changes he had made at New Lanark, compulsory on other employers; he was particularly anxious that no child of less than ten years of age should be set to work in a mill, that until they were twelve they should only work six hours, and that the hours of labour should be reduced to ten and a half for all⁴. A Select Committee was appointed to consider the matter, and much interesting evidence was put on record⁵, but no immediate action was taken; the Act which was passed in 1819⁶ greatly

¹ *Edinburgh Review*, 1819, xxxii. 320. The radical paper, the *Gorgon*, was also inclined to sneer at the House of Commons for "its ostentatious display of humanity" in dealing with "trivialities" like the Slave Trade, the climbing boys, and the condition of children in factories, p. 341 (18 March, 1819).

² 4 and 5 Wm. IV. c. 35.

³ See Sir R. Peel's evidence in the *Report of the Minutes of Evidence taken before the Select Committee on the State of the Children employed in the Cotton Manufactures of the United Kingdom* (1816), iii. 370.

⁴ Robert Owen, *Observations*, p. 9.

⁵ *Reports* (1816), iii. 235.

⁶ 59 Geo. III. c. 66. It prohibited the labour of children under nine years of

disappointed Robert Owen's hopes. It did not insist on a ten hours limit, and its provisions remained inoperative; there was not sufficient inducement offered to stimulate the efforts of the common informer to enforce its provisions¹, and comparatively little improvement resulted from the measure.

No considerable share of public attention was directed to the subject till 1830, when Mr Richard Oastler began a crusade on the subject in Yorkshire², and Michael Sadler took the matter up and obtained a Committee of the House of Commons; he arranged to bring a number of witnesses from the factory districts in order to establish his point that legislative interference was necessary. The session had closed, however, before the evidence which the employers³ desired to put in could be heard; and the sense of this onesidedness rankled in their minds, while the assertions were in many respects untrustworthy⁴. Still, the allegations were so frightful that many people believed that immediate action was necessary at any cost; and the proposal, in the following year, to have a Commission was treated as a mere excuse for delay⁵. Public feeling was greatly excited, and a Bill was introduced by Mr Sadler, and in the following session by Lord Ashley⁶, but it was obviously impossible to attempt a remedy until the charges were thoroughly sifted, and an opinion could be formed as to the extent and character of the evils. A Commission of enquiry was appointed, which was excellently organised, and obtained an extraordinary amount of accurate information in a short space of time.

The Commission of 1833 specially addressed their enquiries to the alleged degradation of the population as a

age and fixed a limit of 12 hours, but even this might be exceeded to make up for stoppages due to want of water-power.

¹ A reward was offered for the common informer; but as no one but the workmen employed in the mill were in a position to give information, and they would have lost their employment if they had come forward to initiate proceedings, the whole was inoperative. Hutchins and Harrison, *op. cit.* 36.

² Alfred [Samuel Kydd], *History of the Factory Movement*, i. 96. His interest in the position of the slaves abroad led him to consider the condition of operatives at home. The movement for factory reform was thus directly associated with the Anti-Slavery agitation.

³ 8 Hansard, xv. p. 391.

⁴ See the opinion of Mr Drinkwater and Mr Power, *Reports*, 1833, xx. 491, 602.

⁵ 3 Hansard, xvi. 640.

⁶ Mr Sadler failed to obtain re-election in the first reformed Parliament.

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—1850.

an agitation began against the over-working of children,

and a Commission was appointed to enquire

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— 1850.

national evil; and hence the points, which demanded attention, were the influence of the Factory system on the children who would grow up to be workers, men and women, of the next generation. If there was physical and moral taint at these sources, the future of the English race was imperilled¹. The overworking of children, resulting as it often did in physical deformity, occurred very generally, but there were different degrees in which the evil existed in different branches of the textile trades, and it is necessary to consider them separately.

into the
conditions
of their em-
ployment
in the
woollen,

i. With regard to the woollen trade, it appears that there were considerable differences between the conditions in the West of England and those which existed in Yorkshire. The Medical Commissioners, after visiting the Stroud Valley, gave exceedingly favourable testimony in regard to the conditions of work in that district², and indeed, throughout the West of England district; though the trade was declining³ and several mills had been shut up. The Commissioners particularly testified to the kindly interest which the employers in this district took in their hands⁴; and though there were many matters in which amelioration was possible, they found that the employers were, on the whole, ready to make any improvements, the desirability of which was pointed out; they could find no evidence that seemed to them to justify legislative interference. The employers in Yorkshire were equally sure of their position; the trustees of the White Cloth Hall at Leeds met the Commissioners with a petition for exemption from any proposed legislation, on the ground that there were no abuses in their trade which called for it, but they failed to establish their case. Parts of the work were very dirty, though Mr Power, the District Commissioner, appears to have been satisfied, after his enquiries, that these operations were not deleterious⁵. From his remarks, it seems, that the one point on which he was thoroughly dissatisfied was the early age at which children went to work in these mills⁶. "The grand evil," which offered the supreme ground

¹ Reports, etc., 1833, xx. 89, 51.

² Reports, etc., 1833, xx. 951, 960.

³ Reports, 1833, xx. 601.

⁴ Ib. 1833, xxi. 16.

⁵ Ib. 1006.

⁶ Ib. 602, 604.

for legislative interference, was "the liability of children to be exposed, during a very tender age, to confinement, and a standing position for a period daily," which was "often protracted beyond their physical power of endurance." A.D. 1776
—1850.

ii. This cause of mischief was common to all the textile *linen*, factories; but there were special evils which were peculiar to the linen trade. Owing to the nature of the material, it was convenient to spin and weave flax when it was wet; and, as a consequence, the workers were subjected to a continual spray, from which special clothing was unable to protect them adequately; while they were also forced to stand in the wet, and their hands were liable to constant sores from never being dry. Long-continued work of this kind was fraught with serious mischief, and the Commissioners felt that every effort should be made to reduce these causes of discomfort¹. There was besides a process known as heckling², which was almost entirely done by children. The machines used in heckling were not large, so that there could be great numbers working in each room; the children had to be on the alert all the time, and to be so quick that the strain on

¹ The culpability of parents for the overworking of children in their own homes was recognised by the Children's Employment Commission, who stated that children have a right to protection against the abuse of parental power (*Reports*, 1864, xxx. 25, 26). The case of sending them to work in unwholesome conditions is less clear: "Up to a certain period of life, the children are absolutely dependent on their parents for support; and before that period it is that a tyranny is often imposed on them, beyond their physical powers of endurance. I have found undoubted instances of children five years old sent to work thirteen hours a day; and frequently of children nine, ten and eleven consigned to labour for fourteen and fifteen hours. The parents, at the same time, have appeared to me, in some of these instances, sincerely fond of their children, and grieved at a state of things they considered necessary to the subsistence of themselves and families. The parental feeling, however, is certainly not displayed in sufficient intensity to be trusted on this point, as will have been gathered most abundantly from the evidence which I have heretofore submitted to the Central Board; I allude both to evidence derived from the parents themselves, and particularly to that of the masters of workhouses in Leeds and the neighbourhood; from whom it appears, that although the difference in income from a child employed as compared with that from a child unemployed at the age of nine or ten, is only 1s. or at most 1s. 6d. in the week, it never happens that they attempt to excuse the non-employment of their children at that age, by alleging the length of the factory hours, or that, in fact, they seek to evade their employment there in any way, at as early an age as they can induce the masters to take them." *Reports*, 1833, xx. 604.

² *Reports, etc.*, 1833, xx. 323.

³ *Ib.* 600.

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them was very considerable; while a frightful amount of dust was set free in the process, and the state of the atmosphere in the room was exceedingly bad.

cotton and

iii. The conditions of cotton-spinning were similar, in many ways, to those of flax, though there was nowhere so much dust as in the heckling rooms, and no wet spinning, but the temperature in which the hands worked was often very high; to this, the operatives did not object, but it was unwholesome, and there is no reason to believe there had been any improvement in the state of things which existed in 1816.

silk mills.

iv. The silk mills, in 1833, were generally speaking in a most unsatisfactory condition¹. The work was chiefly done by girls who were parish apprentices, and there was grave reason for complaint as to the demoralising effect of huddling them together during their years of service, as well as of the reckless manner in which they were cut adrift when they had served their time.

The early
age of
employment
was a
general
evil,

In attempting to estimate the general result, it is well to bear in mind that, in 1833, weaving-sheds were not a regular department of a mill, and that the mill hands were chiefly engaged in preparing the materials and in spinning, though in some cases the work of cloth dressing had been added. Though there were some differences in the machinery employed, the necessity of standing for long hours and of stooping was similar in most of them; and there is abundant evidence that many children were crippled for life and that young women were seriously injured by their occupations. The worsted-spinning at Bradford had a special notoriety in this respect². The Commissioners rightly connected it with the very early age at which children went to work, and the long hours during which they were employed, and the medical testimony proved that mischief of this kind was common in all the great industrial centres³. The Commissioners are careful to note that the physical evils due to

¹ In this branch of industry, as in the woollen trade, the arrangements in the West of England district were so good that the Commissioners saw no cause for legislative interference. *Reports*, 1833, xx. 968 (Ap. B. 1, 70).

² *Reports*, 1833, xx. 608.

³ *Ib.* 32—35.

the over-fatigue of children were prevalent in the well-managed, as well as in the badly-managed mills. A.D. 1776
—1850.

For after all there were mills and mills; and though there was room for improvement in all of them, the crying evils were much more pronounced in some cases than in others. In every respect the small mills were decidedly the worst¹, they were carried on by men who had but comparatively little capital, and who had to compete against the better machinery and better power of their neighbours². These smaller mills were in much greater need of supervision than the others. The cases where children were severely punished by the workmen they assisted were not so common as was popularly supposed, but it was clearly established that this practice was carried on by some of the slubbers³, though on the whole the evil was abating in 1833⁴. It does not seem that the connivance of the masters in such cruelties was proved, and in some cases they endeavoured to prevent them⁵. In fact this abuse appears to have been chiefly due to a few of the more dissipated workmen. In regard to matters of morality, too, the smaller mills had a bad reputation. They were carried on by men of a specially coarse type, who were particularly inclined to tyrannise over a class but slightly beneath them, yet completely in their power⁶; there had been some improvement, but in all respects the small factories were unfavourably distinguished⁷. In fact, it is obvious that the worst evils occurred, not where the capitalist was so powerful that he could do as he liked, but in cases where the capitalist was struggling for his very existence, and was forced to carry on the trade in any way he could.

Similarly, the small factories were the worst places in regard to length of hours, as it was most difficult to enforce any limitations⁸. The old-fashioned mills were dependent on

¹ *Reports*, 1833, xx. 25, 63.

² *Ib.* xx. 20, 24, 1840; xxiii. 248.

³ *Ib.* 1833, xx. 23, 28, 49.

⁴ *Ib.* 26.

⁵ *Ib.* 28.

⁶ *Ib.* 20.

⁷ F. Engels, *Condition of the Working Classes*, p. 148. *Reports*, 1833, xx. 24, 136, 145.

⁸ An illustration of this difficulty occurs in the case of the girls who worked as dressers in the manufacture of Brussels carpets at Kidderminster; the conditions of employment are thus described: "The working hours are extremely irregular,

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while the irregularity of water-power gave an excuse for working excessive time.

water-power; but in many instances the supply was insufficient and the mill worked with great irregularity. Under such circumstances the hands were obliged at times to work for long hours when the water was available, in order to make up for a deficiency in their wages, owing to the time when they had been left idle from the deficiency of power. This irregularity of employment was only too apt to render the men dissipated, as they were forced to alternate periods of excessive work and of entire idleness. They frequently had to put in extra hours without extra pay, in order to make up for stoppages; by far the worst cases, in connection with the treatment of children, were due to instances where they were under the control of men who were working irregularly and with whom they had to keep pace¹. The race between steam- and water-power was not finally decided in 1833; but water-power was long considered cheaper, even though steam was preferred, as without it the manufacturers could not count on a constant supply of power. It is thus obvious that at the time of the Commission things were already beginning to mend. The little mills, and water-mills, were the worst in every respect, but they were dying out in competition with

from two causes: the chief of these is the dissipated habits of many of the weavers, who remain idle for two or three days, and make up their lost time by working extra hours, to finish their piece on Saturday. All the work is paid by the piece. The other cause is, that the weaver has often to wait for material from the master manufacturer, when particular shades of colour may have to be dyed for the carpet he is weaving. In both cases this irregularity tells very severely on the drawers, who must attend the weaver at whatever time he is at work: they are often called up at three and four in the morning, and kept on for sixteen and eighteen hours. The drawers are entirely under the controul of the weavers, both as to their time of work and payment; the masters neither engaging them, nor exercising any farther controul than requiring them to be dismissed by the weaver in cases of misconduct. It appears to us that this power of overworking the drawers calls for interference on the part of the legislature, if an efficient remedy can be found: but this will be difficult, from the system of the trade. The looms belong to the master manufacturers, and are, in most cases, in what is termed his factory; that, however, is not one large building, but several small houses, generally two, seldom three stories high. If there were one building, that could be closed by one key, the masters could prevent the weavers working at irregular hours; but it appears, from the evidence of Mr Thomas Lea, that there are only two factories in the place where this could be done. The keys of the smaller workshops are entrusted to foremen, and sometimes a journeyman, and it would be very difficult to prevent the evasion of any regulation for opening and closing them at fixed hours." *Reports, 1833, xx. 909.*

¹ *Reports, etc., 1838, xx. 12, 15, 16.*

the large capitalists who worked by steam. The Report of the Commission of 1833 enables us to form an opinion as to the reasons which rendered it necessary to legislate in regard to these deplorable evils. Very many of them were not by any means new, though the introduction of the factory system had served to bring them into light. The sanitary conditions, under which cottage industry were carried on, were perpetuated in the earlier factories, and parents may occasionally have been harsh masters to the children who helped them¹. Still, the evil, in its obvious forms, was of recent development, and there was much mutual recrimination at the time in regard to its cause. Colonel Williams probably expressed the commonest opinion, both in the House and out-of-doors, when he said that "this practice of overworking children was attributable to the avarice of the masters²." Mr Hume, on the other hand, defended the capitalists, and as he had presided over the Select Committee, which reported against the Combination Laws, his opinion on industrial conditions was entitled to respect. He held that the distress of the country was wholly due to the corn laws, and laid the blame on the owners of land³. Mr Cobbett, who was member for Oldham and had abundant opportunity of forming a judgment in his own constituency, exonerated the employers. He held that the immediate blame lay with the parents, but that they should not be too harshly judged, as they were driven to it by the pressure of taxation, which as he believed was the ultimate reason of their distress⁴.

The evils which were brought to light had attached to cottage industry,

¹ The Commission of 1833 called for no evidence as to the overworking of children who assisted their parents at home, but there is no reason to believe that they fared better than their companions in the mills. In only one point, and that a most important one, was it alleged that the condition of the domestic workers was preferable. Parents could look after their own children and the elder girls if they worked at home, whilst the factories had an evil repute. Careful parents had to choose between bringing up their children to an overcrowded and underpaid trade, and the risk of placing them in demoralising surroundings (*Reports, etc.*, 1833, xx. 532, 588). The bad repute of factories was not improbably due to their being the resort of apprenticed children and a shifting population, when they were first organised. At the same time it is probable that these evils diminished, as the smaller mills were broken up; and Mr Bolling, the member for Bolton, appears to have regarded the charges against the factories as illusory, so far as his constituency was concerned (8 Hansard, xix. 910).

² 8 Hansard, xv. 1160.

³ *Ib.* 1161.

⁴ *Ib.* 1294.

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*and parents
deserve a
large share
of blame*

So far as the parents are concerned, it is probably true that many of the baser sort were very reckless in regard to the treatment of their children, and were not unwilling to sacrifice them in order to profit by their earnings; but there were many who felt the evils most bitterly, and who petitioned for an alteration¹. At the same time, it is difficult to exonerate them altogether, if, as seems to have been the case, their wages were as good or better than those of other labourers. Mr Power, the Assistant Commissioner, seems to have felt this, when he wrote that "children ought to have legislative protection from the conspiracy insensibly formed between the masters and parents to tax them with a degree of toil beyond their strength²." It is probable that the opportunity of obtaining the children's earnings was a temptation which few parents could resist, even though they might afterwards deeply regret it, when the employment resulted in the deformity of their children. There is no difficulty in reconciling the two statements, that on the one hand the parents frequently succumbed to this temptation, and that on the other they were anxious to have the temptation removed.

So far as the landlords, and the corn laws, are concerned, little need be said. This was a cause which affected the textile industries, like other industries, as it rendered food dear to all labourers; but it will not serve to account for the special mischiefs of the factory system.

*as well as
masters.*

With regard to the masters, it may be stated at once that it is impossible to exonerate them from all blame, as many of them had been exceedingly careless about a matter which lay entirely within their control, and to which no allusion has yet been made. The frequency of accidents in the mills, with injury of life and limb, was a feature which specially shocked the public, and it seems to have been clear that many of the accidents were preventable, and need not have occurred, if certain machines had been properly fenced³. So long as any part of the evils were due to arrangements directly under the master's control and with which no one

¹ 8 Hansard, xvi. 642.

² Reports, 1838, xx. 604.

³ *Ib.* 76.

else could interfere, it is clear that the blame lay with them ^{A.D. 1776} or with their agents¹. —1850.

It was much easier to report on the extent of the evil and to analyse its causes, than to devise a satisfactory remedy. Enthusiasts like Owen would have tried to introduce an ideal system for all those who worked in the mills. But the Government were forced to move more slowly, and to content themselves with attempting to prohibit or limit the recognised evils. The overworking of boys and girls seemed to stand by itself; the mischief was most patent, and as the children were obviously unprotected and unable to protect themselves in any way, there was a much stronger case for interference than there seemed to be in regard to adult labour of any kind. The operatives were naturally anxious to have the systematic reform, which Owen had initiated, carried through in its entirety by the State²; but this was a proposal which the Commissioners did not endorse; they tried to put forward a discriminating scheme, by which the question of child labour should be isolated and dealt with separately, while they thought the hours in which other workmen were employed should be a matter of agreement, so long as the very wide limit introduced in 1802³ was not exceeded. The Commissioners did not feel that Owen's principle of a Ten Hour Day was the right one, as it would not in itself afford sufficient relief to the children⁴, while it appeared to be unnecessary, and possibly

The Commissioners of 1838 tried to isolate the question of child labour.

¹ The punishments which Lord Ashley proposed to inflict on employers in connection with accidents in their mills were very severe. Parliament appears to have supposed that they were so excessive that they would never have been enforced. 8 Hansard, xix. 228.

² The operatives believed that the shortening of their hours would lead to a rise of wages (*Reports, etc.*, 1833, xx. 39, 51), and advocated it on this account; but their wages were good when compared with the payments in other callings (*Reports, etc.*, 1833, xx. 307, 1006, and xxi. 31, and especially 65), and the Commissioners would have deprecated any change that would seriously interfere with market conditions.

³ Hutchins and Harrison, *op. cit.* 17. This was hardly a new limitation, as it closely resembles the recognised day labour of the sixteenth century. Vol. i. 535.

⁴ The following instances of excessive work on the part of the young were specially referred to by the Commissioners. "Am twelve years old. Have been in the mill twelve months. Begin at six o'clock, and stop at half past seven. Generally have about twelve hours and a half of it. Have worked over-hours for two or three weeks together. Worked breakfast-time and tea-time, and did not go away till eight. Do you work over-hours or not, just as you like?—No; them as

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*and hoped
that shifts
would be
organised.*

injurious, so far as adults were concerned¹. The Commissioner proposed instead, that shifts should be arranged², and that the labour of children should be so organised that they should work in the same mills, but for shorter hours than the adults. An experiment of this kind was tried with great success in

works must work. I would rather stay and do it than that any body else should come in my place." * * * "Have worked here (Milne's) two years; am now fourteen; work sixteen hours and a half a day. I was badly, and asked to stop at eight one night lately, and I was told if I went I must not come back." "I have worked till twelve at night last summer. We began at six in the morning. I told book-keeper I did not like to work so late; he said I mope. We only get a penny an hour for over-time." "We used to come at half-past eight at night, and work all night, till the rest of the girls came in the morning. They would come at seven. Sometimes we worked on till half-past eight the next night, after we had been working all the night before. We worked in meal-hours, except at dinner. I have done that sometimes three nights a week, and sometimes four nights. It was not regular; it was just as the overlooker chose. Sometimes the stubbers would work on all night too, not always. The pieceners would have to stay all night then too. They used to go to sleep, poor things! when they had over-hours in the night." "In 1829 they worked night and day. The day set used to work from six till eight and nine, and sometimes till eleven or twelve. The children who worked as pieceners for the stubbers used to fall asleep, and we had much trouble with them." *Reports*, 1838, xx. 16.

¹ It appeared probable to the masters and economic experts that a reduction of hours would involve a reduction of wages.

² The difficulty which they tried to meet is well stated by the Commissioners: "The great evil of the manufacturing system, as at present conducted, has appeared to us to be, that it entails the necessity of continuing the labour of children to the utmost length of that of the adults. The only remedy for this evil, short of a limitation of the labour of adults, which would in our opinion create an evil greater than that which is sought to be remedied, appears to be the plan of working double sets of children. To this plan there have been intimated to us great objections on the part both of masters and of workmen: on the part of the masters, because it will be attended with inconvenience, and somewhat higher wages: on the part of the workmen for various reasons; 1st, Because when working by the piece increased expense in hiring or increased trouble in teaching children will necessarily diminish their net earnings:—2nd, Because by a more general limitation to ten hours they expect to get twelve hours' wages for less work:—3rd, Because the reduction to half wages or little more of the children reduced to six or eight hours' work must necessarily in so far tend to reduce the earnings, and consequently the comforts of the family:

"There can be no doubt, from the whole tenor of the evidence before us, that the plan of double sets will be productive of more or less inconvenience and expense to the manufacturer. It has appeared to us, however, that the same objections must attach more or less to any change of the present modes of working; but we consider the object aimed at by the working of double sets, namely, that of counteracting the tendency to an undue employment of infant labour, to be such as more than compensates for the sacrifice to be made in attaining it. And no other mode of effectually accomplishing that most desirable object has occurred to us likely to be attended with so little evil or suffering as that which we have ventured to recommend." *Reports*, 1838, xx. 57.

Messrs Marshall's flax-mills at Holbeck, near Leeds. This was, A.D. 1776
however, a difficult arrangement to carry out, and in country —1850.

The manufacturers disliked a proposal that would hamper them, and the parents were on the whole glad to get an income from the children's labour; still this suggestion went on the line of least resistance, and Government carried a Bill which practically gave effect to the recommendations of the Commission. The chief debate was upon the proposal to limit the work of those under eighteen to ten hours. Lord Ashley was defeated on this point, as the Government thought it necessary to go farther and limit those under fourteen to eight hours; and from the time of this defeat, the Bill became a Government measure to which Lord Ashley gave independent support. And in the main the recommendations of the Commissioners were accepted by Parliament¹. By the Act of 1833 the employment of children under nine years of age was forbidden. The time of work for children under thirteen years old was limited to nine hours, and for young persons, ~~of from thirteen to eighteen years~~, to twelve hours; and night work was prohibited, i.e., work between 8.30 p.m. and 5.30 a.m. But the real importance of the measure lay in the fact that new administrative machinery was now created. Previous Acts had failed partly, at least, because there had been no sufficient means of enforcing them. The establishment of local inspectors was originally suggested by the masters, apparently as a means of seeing that their neighbours did not indulge in unfair competition by evading the law, and the operatives viewed it with suspicion. In the form in which the proposal was incorporated in the Act it created an independent body of men, acting under a central authority, who have proved to be not merely a means of enforcing but of amending the law. "The introduction of an external authority, free from local bias and partiality, greatly improved the administration of the law, lessened the friction between the manufacturers and operatives, and provided a medium of communication between the Government and the people at a time when knowledge of industrial matters was scanty in the extreme²."

Limits were imposed on the employment of children,

and inspectors under a central authority were charged with enforcing the Act.

¹ 3 and 4 Will. IV. c. 103.

² Hutchins and Harrison, *op. cit.* 40.

A.D. 1776
—1850.

*The over-
working of
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could not
be checked
effectively*

*till the
hours for
women were
restricted;*

The Act of 1833 had endeavoured to isolate the question of child labour, but as a matter of fact this could not be done. The children assisted the work of adults, and the masters were inclined to evade the restrictions on the time when boys and girls were employed, as this was the way in which the customary hours for men could be most conveniently maintained. The inspectors found that it was practically impossible to check the time during which any one boy or girl remained at work, as the machinery was kept running for longer hours than those in which children might be legally employed¹. The intimate connection between the various elements in the organisation of a factory had been asserted by the advocates of a Ten Hours Bill all along², and the nature of the changes which were necessary, in order that the measure passed in 1833 might be rendered effective, was only gradually recognised. In 1844 another step was taken, and the argument for State-interference on behalf of children was extended; a strong case had been made for legislative action to protect adult women, both as regards the mischief of physical injury, and their own inability to drive independent bargains, and it was enacted that women were to be treated as young persons³. In 1847 the hours for young persons and women were still further reduced by the passing of the Ten Hours Bill, and it was generally expected that this new restriction would have the effect of limiting the hours during which the machinery was kept in motion. When trade revived in 1849, however,

¹ After 1833, though there was a twelve hour day, it might be worked between 5.30 a.m. and 8.30 p.m. and meal times might be distributed as the employer chose. Those who were working had to do double work, while others were having meals—thus demanding a greater intensity of effort from those at work. It was quite impossible to tell whether any particular persons had had meals, or whether they were working over-hours or not, since the employer could always plead that they began late.

² "The mistake of Parliament," said Mr Hindley, the member for Ashton, "has arisen from supposing that they could effectively legislate for children without including adults—they are not aware that labour in a mill is, strictly speaking, family labour, and that there is no longer the system of a parent maintaining his children by the operation of his own industry." Hutchins and Harrison, *op. cit.* 47.

³ 7 and 8 Vict. c. 15, § 32. The hours of young persons were limited to 12 hours by the Act of 1833.

the masters found it worth while to keep the machinery going for fifteen hours, and managed to evade the law by means of relay systems¹. An amending Act of 1850 insisted that the hours of work for protected persons must fall within the twelve hours from 6 a.m. to 6 p.m. with an hour and a half for meals, and thus established a normal day for women². Curiously enough, its provisions did not apply to children, and they could be employed on the relay system in helping the men, after the women had left off working. In 1853, the risk of evasion in this manner was brought to an end, the normal working day of ten and a half hours was established by law for all factory workers³, other than adult males, and it soon became customary for them as well.

—1850.
and a
normal
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of ten hours
and a half
was at
length
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It thus came about that the programme of factory reform which Owen had advocated in 1815 was at length to be generally accepted. Each step was gained in the face of strong opposition, for the economic experts of the day—of whom Mr Nassau Senior was the most effective spokesman—were clear that a reduction of hours would mean such a serious loss to the employers that the trade of the country must inevitably suffer, and the mischievous effects react on the workmen themselves. It was argued that if the last hour of work were cut down, the profit on the capital invested in plant would vanish altogether⁴. Strong in the support of such academic authorities, the employers felt no scruple in evading the law, when they could; but the excuse was a mistaken one. Robert Owen's experience had established the fact that the product in textile trades did not vary directly according to the hours of labour. He found that the influence

in spite
of the fore-
bodings of
experts

¹ Mr Howells thus describes it: "The system which they seek to introduce under the guise of relays is one of the many for shuffling the hands about in endless variety, and shifting the hours of work and of rest for different individuals throughout the day, so that you never have one complete set of hands working together in the same room at the same time." *Reports*, 1849, xxii. 225. The intervals when the hands were not actually working were so short, and so arranged that they might be of very little use either for purposes of rest or recreation. Hutchins and Harrison, *op. cit.* 80, 101.

² 18 and 14 Vict. c. 54.

³ Women, young persons and children might not be employed before 6 a.m. or after 6 p.m. (16 and 17 Vict. c. 104), and they were to be allowed an hour and a half for meals (8 and 4 Will. IV. c. 109 § 6).

⁴ N. Senior, *Letter on the Factory Act*, 12.

A.D. 1776
—1860.

who ignored
the results
of Owen's
experience

of increased care and attention was very noticeable when the hours were shortened, and that waste was avoided. He had for a time reduced the hours of work at New Lanark, without loss; and he found that when they were lengthened again, the product was not increased in proportion to the increase of hours¹. He had already demonstrated, in his own experience, that the policy of working excessive hours was unsound, not merely on humanitarian, but on economic grounds. As this view was gradually confirmed by subsequent observation, the attitude of public opinion towards restrictive legislation underwent a marked change². The benefits, which accrued to the population employed in textile factories under the modern system of centralised supervision, have been so great that efforts are being steadily pressed on for bringing all sorts of other industries under similar control.

The low
standard of
comfort of
hand-loom
weavers

270. The agitation of the factory operatives for State interference with their hours of labour, which was being carried on so vigorously in 1840 has eventually been successful. There was, however, another class of the manufacturing population who were in a very serious plight, and on whose behalf State intervention was demanded. The hand-loom weavers were suffering from the irregularity and uncertainty of employment; it was impossible for them to maintain a decent standard of comfort, and a commission was appointed in 1839 to see whether anything could be done to place them in more favourable conditions.

was not
treated as
a subject
for State
inter-
ference.

The principles of *laissez faire* had such a strong hold that it was not to be expected that the weavers would obtain much support; and as we look back we may see that this was not a case in which it was desirable for Government to interfere. The factory industries were growing; and it was distinctly advantageous to have lines authoritatively laid down along which they should develop. But hand-loom weaving was already doomed; the competition of the power-loom was threatening to drive it out of existence, at all events in some branches of manufacture. The only benefit which could be

¹ *Reports*, 1816, iii. 255, 272, also 1838, xx. 194.

² The publication of the Reports of the Children's Employment Commission, which was moved for by Lord Shaftesbury in 1861, appears to have been the occasion of this change. Hutchins and Harrison, *op. cit.* 150.

conferred on the weavers was to help them to leave a decaying trade¹; this was more a matter for individual and charitable action than for administrative interference. A.D. 1776
—1850.

The competition between hand-weaving and power-weaving brings out one aspect of the case which was less noticeable in connection with spinning. The series of inventions, which led up to the self-acting mule, introduced an extraordinary improvement, in the quality—the firmness and regularity—of the yarn, as well as in the pace at which it could be produced. These advantages occurred to a much smaller extent in weaving; in 1840 it was doubtful whether machines could ever be invented which would weave fabrics of which only small quantities were required or in regard to which there were rapid changes of fashion²; while the rates of wages of hand-weavers of low-class goods enabled the employers to produce very cheaply, and there was scarcely any saving in machine production³. To some extent the power-loom was better and cheaper; and as it was more readily applicable to some materials and qualities of goods than to others, there was a curious difference in the extent to which it was used in different trades. The real issue, however, lay deeper; it was not so much the competition of a machine with a hand implement, as competition between two systems of industrial organisation. The hand-loom weaver was the last survival of cottage industry; he had been drawn into the capitalist system and become a wage-earner, but he still enjoyed a measure of independence as to his hours of working and his habits of life. He clung to his liberty, and was most reluctant to seek other employment, even when his takings

The power-loom was superseding hand work;

and the concentration of weaving in factories

¹ Mr W. E. Hickson, one of the assistant commissioners in 1840, summarised his opinion thus: "I believe the young men are either earning better wages, or are abandoning the trade. The class entitled to the most commiseration consists of the old, of whom there are many, who, having lived on in hope of better times, while the trade has gradually declined, now find themselves, with failing sight, and failing limbs, strength scarcely sufficient to throw the shuttle, and none to help (their children married and gone away), left to depend upon the miserable pittance they can yet earn at the loom, which they cannot leave till they leave the world and the trade together." *Reports*, 1840, xxiv. 650.

² This was the case with Paisley shawls. *Accounts*, 1839, xlii. 548. See also *Reports*, 1840, xxiv. 651.

³ Mr Symonds writes, "The power-loom is applicable to many fabrics which the exceedingly low rate of wages alone enables the hand-loom to obtain." *Accounts*, 1839, xlii. 609.

A.D. 1776
—1850.

gave facilities for supervision

were reduced to a starvation point. But the practice of setting labourers to work in their cottages was not convenient to the capitalists. The cottage system gave in many ways opportunity for inefficient work¹, and the employers preferred to have the men under their own eyes. This was the only method by which they could secure punctuality in the delivery of goods², and could exercise an effective supervision all the time³. One circumstance which specially impressed Mr Hickson was "that the factory system is beginning to be extensively applied to the labour of hand-loom weaving, and that the weavers who now maintain, and may continue to maintain, a successful competition with the power-loom, will not be *cottage weavers*⁴, but weavers assembled in factories to work under the eye of a master. There are now many

¹ Mr Hickson reported: "One hundred webs, therefore, in a factory of hand-loom weavers, would be finished even in Manchester, in the time in which 50 would not be finished by an equal number of domestic weavers. But in Ireland the disparity is much more striking. I was assured by Mr M'Cauley of Belfast, that it would be necessary for him to employ 400 country weavers to get him through the same quantity of work in a given time which he could produce from 100 hand-loomers employed in his factory, under his immediate superintendence. *Reports*, 1840, xxiv. 648.

² Mr Hickson writes: "The cotton-weavers, in most cases, work at home; but the practice is beginning to extend itself of assembling them in factories. There are hand-loom factories, as well as power-loom factories. In large manufacturing towns, a saving of time is regarded as a saving of money. One thousand pounds capital, if it can be returned four times in the year, is equal to a capital of £4,000 returned once; and the interest on £3,000 is the saving effected. Hence the anxiety of every good man of business to despatch his orders quick, and hence the urgency of merchants, when writing to the manufacturer, to ship without delay. In fact, promptitude of execution is often a more important consideration than price. A merchant, not limited by his foreign correspondents, but left to his own discretion, will give his orders to the manufacturer, who, on a given day and month, will engage to have his goods on board a ship in the export docks, and will disregard the offer of another manufacturer less punctual, and more dilatory in the conduct of his business, although cheaper, perhaps by five per cent. On this account factory labour is much more advantageous to the manufacturer than domestic labour. The domestic weaver is apt to be irregular in his habits, because he does not work under the eye of a master. At any moment the domestic weaver can throw down his shuttle, and convert the rest of the day into a holiday; or busy himself with some more profitable task; but the factory weaver works under superintendence; if absent a day, without sufficient cause, he is dismissed, and his place supplied by one of greater power of application." *Reports*, 1840, xxiv. 647-8.

³ It was difficult to guard against the embezzlement of materials and the fraud of weaving thin. *Accounts*, 1839, xlii. 599.

⁴ Mr Hickson speaks of them as "domestic weavers." I have ventured to alter this phrase so as to bring it into accord with the terminology adopted in this volume. See above, p. 497.

fabrics woven by power at a somewhat dearer rate than the productions of the hand-loom (taking into consideration the cost of machinery, repairs, and the wages of the workers); but the power-loom manufacturer, as before explained, can execute an order with certainty and despatch, from the regularity of his process; while the employer of cottage weavers can never tell within a fortnight or three weeks when every web sent out to the neighbouring villages will be returned. This disadvantage is partly overcome by assembling the weavers in factories, and requiring them to work under superintendence. The system is also favourable to a large manufacturer, in protecting him, to some extent, against the embezzlement of yarn. His property is safe in his own possession, and he runs no risk of the work being taken out of the loom to be sold or pawned by a dishonest weaver. The subjects of wrangling and dispute between his foreman and the men are also less numerous upon the factory than upon the out-door system. The men have not to lose hours and days in dancing attendance upon the foreman's leisure; and the daily inspection of the master enables him to see that his directions are understood and followed by all parties¹. The struggle, which attracted such attention in 1840, was the last phase of the contest between cottage-industry and factory-industry in the staple manufactures of the country².

As a consequence, the line, between the distressed weavers and the others, is to be drawn between those who took out materials to weave in their own homes, and those who worked in factories, whether at hand- or power-looms. Weaving sheds containing hand-looms were coming to be a common appendage to spinning-mills, and these factory hand-loom weavers had little to complain of³. The rates of wages per piece had kept up, at all events in the West of England cloth trade; the trade was on the whole developing, and the factory hand-weavers were apparently absorbed as the power-loom was introduced. The cottage-weavers suffered, however, not so much from low rates of pay as from extreme

A.D. 1776
—1850.

and encouraged
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weavers
had no con-
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¹ Reports, 1840, xxiv. 683.

² Many of the cottage weavers were small farmers and emigration offered the best hope of relieving them. S. J. Chapman, *Lancashire Cotton Industry*, 45.

³ Accounts, etc., 1839, xlii. 522.

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—1850.

*The
depression
during the
transition
to power
weaving*

irregularity of employment. In periods of depression little work was given out, but their earnings in good times were sufficient to keep them from recognising that the trade was terribly overcrowded. Instances of the organisation of hand-weaving in factories had occurred as early as the fifteenth century, and it is hopeless to try and obtain information as to the gradual extension of that system. Some evidence has survived, however, in regard to the introduction of the power-loom, and we are justified in concluding that this would not have occurred unless a thoroughgoing system of capitalist supervision had already come into vogue. It will be convenient to consider the course of the changes in different branches of the textile trades in turn.

*in the linen
trade was
aggravated
by the com-
petition of
Irish, and
of cotton
weavers,*

i. The linen-weavers were reduced to as miserable a condition as any other class of weaver in 1839. Their wages had steadily fallen; they had resorted to strikes, over and over again, but always without success; several distinct price-lists had been issued, as in 1829 and in 1837, but the masters did not adhere to them, and each new list gave greatly reduced figures¹. This depressed condition was partly due to the competition of Irish immigrants², but the trade was also overcrowded by cotton-weavers. The power-loom had been very generally introduced, so far as cotton fabrics were concerned³, and the cotton hand-weavers took refuge in the linen trade; thus, before the power-loom had been applied to linen fabrics, the artisans were suffering seriously from an indirectly induced competition⁴. The overcrowding of

¹ *Reports*, 1840, xxxiii. 817.

² *Id.* 815.

³ See below, 797, n. 5.

⁴ See the statement in regard to Yorkshire linen-weavers. "There are many causes that have been at work in bringing the hand-loom weavers' wages to this starvation price, and we will beg leave to state our opinion of a few of them. The power-loom is one, and though but little progress has yet been made in working linen goods, yet, by having nearly destroyed the cotton-weaving, and greatly injured the stuff and woollen weavers' trade, it has driven many out of those branches into the linen trade, and over-stocked the market with hands; and the manufacturers have taken the advantage, and reduced the wages; but we believe it is nothing to their profit. Now, these power-looms contribute nothing to the revenue; on the contrary, they have been the means of throwing great numbers out of employment, and has (*sic*) brought thousands and tens of thousands to sup the cup of misery even to its very dregs, and, if not speedily checked, will, ere long, bring the whole of the weaving trade to complete ruin. We think at any

this trade was the more remarkable as linen weaving was exceedingly heavy work, in which women did not compete¹. A.D. 1776
—1850.

ii. The condition of the silk-weavers is not exactly similar to that of men engaged on other fabrics, as this had always been an exotic trade; from the time of the repeal of the protective legislation in 1824, they had been in great difficulties. Their business was not at all hard to learn, and this manufacture also was overcrowded, as linen-weaving was overcrowded, by men who had drifted into it from a similar calling. When the cloth manufacture migrated² from Essex and Suffolk and Norfolk to Yorkshire, the Eastern County weavers took up the silk trade³; but even in the best days they had to work at lower prices than the weavers in Spitalfields⁴. In this case they had suffered from every kind of competition; that of women's work, of those who picked up the trade hastily, of foreign weavers, and of the power-loom. There was violent resistance to the introduction of the power-loom at Coventry in 1831⁵; but the trade, as taken up and improved in Manchester and Macclesfield⁶, completely undersold the efforts of the Spitalfields and Eastern Counties weavers, among whom, apparently, the feeling against machinery was so strong that no one attempted to introduce it. In the

rate the power-loom ought to pay as much as the hand-loom weaver pays, and then we should have some chance of competing with them. Besides the many indirect taxes that we have to pay to the Government, we have other taxes of a still more grievous nature, and, it is said by many writers, of far greater amount. These taxes cut like a two-edged sword; it is not only the great amount that we have to pay, but at the same time it greatly injures our trade. This tax is what they call 'protecting duties' to the great landed property men of this country, not only the heavy duty on corn, but on every necessary of life, even to an egg." *Reports*, 1840, xxiii. 385.

¹ *Reports*, 1840, xxiii. 191.

² The migration of the cloth manufacture from the Eastern Counties to Yorkshire received a considerable impetus during the long war. The flying shuttle and mill yarn were used in Yorkshire about 1800 (*Reports*, 1840, xxiii. 417), and wages there were "comparatively high" (*Ib.* 399), while all machinery appears to have been tabooed in the Eastern Counties (*Ib.* 147), unless in some newly introduced trades (*Ib.* 175). The last remnants of the Eastern Counties' cloth manufacture were the camlets which were made for the China market as long as the East India Company had the monopoly, but when the trade was thrown open in 1833 the Yorkshiremen undersold them in this article also (*Reports*, 1840, xxiii. 142). The West of England manufacture of serges suffered in a similar fashion (*Ib.* 250).

³ *Ib.* 129.

⁴ *Ib.* 125.

⁵ *Ib.* 1833, xx. 509.

⁶ *Ib.* 1840, xxiv. 653.

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—1850.

by the
habitual
spreading
of work.

southern centres of the trade this employment gave early instances of the phenomena of spreading work, and of an industrial reserve army¹. One of the Braintree witnesses describes how "a manufacturer would give out work to twelve men, where seven would have been enough to do it, if warp and shute had been given to them as fast as they worked it up. The object of this system evidently was to keep a great number of hands in the trade always at command, in order that when there was a great demand for goods the manufacturer might have it in his power to produce them. * * * Thus the earnings of the weavers were kept down, though they were said to be employed. This system also kept a greater number of hands in the trade and thereby kept up a greater competition for employment, and prevented a rise of price when there was an increased demand for goods²."

The chief remedies which the weavers themselves proposed were, either a more rigid system of apprenticeship by which the number of competitors might be kept down, or an authoritative price-list, such as they had had under the Spitalfields Act; but even under that Act they had not enjoyed constant employment, and the system had proved unworkable³. It was absurd to ask for elaborate rules of apprenticeship, which were not needed for the purpose of training the workmen properly⁴; this limitation was merely intended to be an arbitrary restriction on the number of competitors⁵. Such an expedient could not possibly help them to stand better against the competition of English machinery or

¹ See above, p. 687.

² *Reports*, 1840, xxiii. 126.

³ As Dr Mitchell, an assistant commissioner, stated: "The Spitalfields Acts secured to the weavers a fixed price for their labour; but no Act of Parliament could secure to them full employment, and when from the caprices of fashion or from any other cause there ceased to be a demand for the goods, a part of the weavers who made them were necessarily out of employment, and such of them as had not laid by some of their earnings to meet an evil day were in distress. There was however, this difference between the periods of distress in those times and the distress at present, that whatever work was given out was paid for at the full price, and when a demand for goods and for labour arose the weavers returned to a state of prosperity, whereas distress now may occasion reduction of wages, and when full employment returns the weaver is not paid as he was before." *Reports*, 1840, xxiii. 200.

⁴ The trade was not at all hard to learn (*ib.* 215).

⁵ *ib.* 221.

foreign workmen. What the commissioner said of weavers in general was specially true of the silk-weaver—"The best friends of the weaver are those who would advise and assist him to transfer his labour to other channels of industry¹."

A.D. 1776
—1850.

iii. The cotton was the first industry in which power-spinning was introduced; there had been a real difficulty in getting weavers in sufficient numbers to work the yarn that was spun, and it was in this trade that the power-loom had been most generally applied at the time of the enquiry. The new mode of weaving had brought about an extraordinary expansion of the trade, and it was said that comparatively few hand-looms had been put out of operation altogether². At the same time part of the work that was done by hand consisted of goods of a class for the making of which wages were so low that machinery did not pay³. The competition of Irish immigrants was also severely felt in the West of Scotland cotton district⁴. Wages were exceedingly low, employment for hand-loom weavers was irregular, and in bad times practically ceased.

The application of power to cotton-weaving

was delayed through the

cheapness of hand work,

There had been a great deal of distress among the Scottish weavers both in 1819 and 1826. Large relief funds were started, to which the upper classes contributed more largely than they would have done in England, where the Poor Law afforded so much relief⁵. But the most serious

¹ *Reports*, 1840, xxiv. 659.

² "Before passing from the case of cotton-weavers," Mr Hickson writes: "I may express the surprise I felt at the discovery, that, notwithstanding the gigantic competition of the power-loom, the number of hand-looms employed in this branch of the trade of weaving is not only very considerable, but, from universal testimony, almost as great as at any former period."

"After visiting the power-loom factory of Messrs J. and W. Sidebottom at Mottram, where, in one immense apartment, 125 yards in length by 25 yards in width, I saw 620 looms working by power, and producing, almost with the rapidity of light, as much cotton cloth, apparently, as would suffice for the consumption of the whole country, I was struck with the fact as extraordinary, not that the labour of the cotton-weaver at the hand-loom should be ill remunerated, but that his employment should not have been altogether superseded. It would seem, however, that the power-loom had created for itself a market almost sufficient to carry off its own productions, leaving the demand for hand-loom cotton cloth nearly as great as before." *Reports*, 1840, xxiv. 660.

³ Among these may be specified blue and white stripes and checks for export trade. *Accounts and Papers*, 1839, xlii. 535.

⁴ *Reports, etc.*, 1840, xxiv. 644; *Accounts and Papers*, 1839, xlii. 533, 559.

⁵ *Accounts and Papers*, 1839, xlii. 523.

A.D. 1776
—1850.

distress occurred throughout all the textile trades after the American panic in 1837; and this exceptional distress had been the reason for appointing a Commission to enquire into the condition of hand-loom weavers generally¹.

and led in
the worsted
trade to

iv. Much of what has been said in the preceding sections applies to woollen, as well as to cotton weaving; but there are several special points in regard to this ancient industry which demand attention. The power-loom had been generally introduced in the worsted trade which centred at Bradford, but it had only been recently adapted to the woollen trade, for which Leeds was the great market². As the power-loom was introduced the market seems to have expanded; or at any rate there was employment for a large number of hands in attending the looms; but still the weavers suffered severely, and were entirely displaced, as the new work was done not by men, but by women and girls, who had been employed to some extent before, but who now seemed to be preferred to the exclusion of male weavers³.

labour
shifting.

This was one reason for the distress felt in this industry, but there was also a complaint of some standing in regard to wages. From 1801 to 1815 wages had been exceptionally high in the cloth trades in Scotland, as well as in Yorkshire. The special advantages of that kingdom were attracting to it the employment which had been previously diffused through other districts; and though wages had not fallen back below the eighteenth century standard of comfort, the weavers had never reconciled themselves to the loss of the prosperity they had enjoyed during the war⁴. And indeed, though the rates of wages had apparently kept up, the work had become somewhat harder, as heavier cloths were being made⁵. In Scotland the wages of woollen-weavers were higher than those of cotton-weavers, especially in the Galashiels district, where they made a class of goods which was in great demand and in the production of which there was little competition⁶.

The
woollen
weavers
had lost
their ab-
normally
high rates

¹ Reports, 1840, xxiv. 642.

² *Ib.* xxiii. 481.

³ *Ib.* 481.

⁴ Reports, 1840, xxiii. 389. *Accounts and Papers*, 1839, xlii. 568. The decline of wages was partly to be ascribed to the number of discharged soldiers who took up an easily learned employment and "exchanged the musket for the shuttle." *Ib.* 568.

⁵ Reports, 1840, xxiii. 397.

⁶ *Accounts and Papers*, 1839, xlii. 570. "As the weavers possess and equitably

As in the spinning-mills, so in regard to the manufacture of cloth, the wool trade in all its branches appears to have been on the whole better conducted than the other trades; but the chief distress was in the West of England¹, whence the migration to Yorkshire was still continuing; in that region

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—1860.
and suffered a period
of depression.

exercise the power of preserving a just remuneration for their labour, there is no excess of hands. The masters everywhere expressed themselves desirous not to lower wages, fearing that their profits would likewise fall." See also *Id.* 555, 556.

¹ Mr Austin, one of the assistant commissioners in 1840, reported: "Twenty-three years ago the whole of the preceding great clothing district was in its most flourishing condition; the manufacturers were at least twice as numerous as at the present time, and employment could be had at good wages by all who were willing to obtain it. About this time the Corn Laws and the Resumption of Cash Payments Acts were passed; the trade fell off. (One manufacturer states that 25 years ago 200 pieces of cloth were manufactured in a week, and now not above 100. This ruin of the cloth trade following so closely on the heels of the corn law, was naturally considered as an effect of that law.) Many manufacturers failed, or gave up business, and the sufferings of the manufacturing labourers, for want of work, was extreme. The usual measures were resorted to, such as altering roads and allotments of land (which brought many to permanent out-door work), charitable donations, etc. At that time parish relief was also among the means of subsistence within their reach; the number of weavers gradually diminished, but there are still one-third more than the trade requires, or is likely to require. Power-looms are not extensively used in this district, and have not been the cause directly or indirectly of lowering the wages (which in fact have remained stationary for many years); but it is to be feared that their introduction into the neighbouring county (Gloucestershire), and the effect produced on the wages there, will ere long be felt in this part of the country." *Reports*, 1840, xxiii. 277. In the progress of society the introduction of more powerful methods of production was inevitable, and cannot be a matter for regret; the attractive power of capital and the higher wages it offered had broken up the old system, and the misery which followed was chiefly due to extraneous causes, for the large mill-owners never initiated a decline of wages. "A reduction of wages," according to Mr Hickson, "is never the act of a prosperous manufacturer trading to the full extent of his capital. It begins with those whose capital would otherwise be idle and with the unemployed. A weaver having tried in vain to obtain work at the old standard of wages offers his labour at a lower rate and thereby tempts the manufacturer to make up stock for which there is no immediate demand. When the weaver does not succeed even on these terms in procuring employment, his next attempt is to manufacture upon a small scale on his own account. * * * The weaver in Ireland having no capital on which to fall back, cannot hold his little stock, as a large manufacturer would do, but is obliged to sell at a sacrifice, and by so doing brings down prices and the value of the labour more rapidly and to a lower point than ever happens in this country. In England wages though slow to rise are as slow to fall. The large manufacturer is the first to gain the advantage of an improvement in trade, but losses on stock upon which full wages have been paid in the hope of prices which cannot be realized, fall exclusively upon himself. It is true he then sets about a reduction of wages but before he can effect it perhaps trade revives and prices show a tendency to advance, he is induced to go on as before." (*Reports*, 1840, xxiv. 660.)

A.D. 1776
—1850.

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there had never been the same jealousy of machinery, and there was reason to believe that the introduction of the power-loom would invigorate the trade and provide increased occupation¹. No measure which Parliament could have taken would have served to prevent the fall of wages under these circumstances; the policy of attempting to lay down a minimum rate and fix living wages had been abandoned², the scheme which Owen had advocated³ of limiting the out-put of machinery in the interest of the hand workers would have been disastrous to the trade of the community⁴. No legislative enactment was the outcome of this inquiry; and improvement in wages has been gradually brought about with the steady increase of trade, especially since 1850, and the success with which Trade Unions have urged their demands from time to time. It is in districts where cottage industry survives that the starvation wages and unsanitary conditions⁵, which were common in the thirties and forties, still prevail.

¹ Labour shifting had to be taken into account (*Reports*, 1840, XLIII. 481).

² It would have been a great advantage if the rate of pay could have been maintained. The Report of the Select Committee on Manufacturers' Employment points out the important difference which arises in a falling market, according as masters maintain the rate of pay and diminish the employment, or try to force the market by giving an increased out-put at a lower rate of pay. *Reports*, 1830, x. 227.

³ *Life of Robert Owen*. Sup. Ap. p. 55.

⁴ One of the most interesting parts of the Commissioners' Report contains the results of the enquiry they instituted in regard to the condition of hand-loom weavers on the Continent. Their comfort contrasted strikingly with the misery of the operatives at home. In Austria, in Switzerland, the work was done, as had been formerly the case in England, by the peasantry. Weaving was a by-occupation (*Accounts*, 1839, XLII. 623, 629); though wages were low, the people were able to live in comfort, as they had two mainstays to the household. Only in one country did they report a state of affairs that at all corresponded with the condition of the English operatives, this was in Normandy (*Accounts*, 1839, XLII. 639): the only Scottish weavers who are specified as having a by-occupation were those of Larga, who did a little fishing (*Ib.* 519). In this case also weaving was practised as a sole occupation by those who had no other means of support. The English weavers were dependent on the fluctuating basis of trade instead of the solid basis of land. They were exposed to all the variations of circumstances which might arise from changes in foreign markets or contractions of credit. When times were bad they suffered far more severely than the continental peasant, who had his holding to rely on, and though they might get far higher wages than he ever dreamed of, they were not able to recoup themselves for losses in bad times.

⁵ Mr Hickson's comparison is very instructive: "With regard to health, having

The evidence adduced before the Commission on hand-loom weavers seems to show that, even at that date, the evils which had been brought to light by the Industrial Revolution, or arose in connection with it, were beginning to pass away. The conditions of sanitation and ventilation in the factories were coming to compare favourably with those which prevailed in the cottages, and the moral tone of the factories had distinctly improved¹. It certainly appears that in 1840 the stigma, which had formerly attached to operatives in the cotton-mills, was no longer deserved; at all events, the domestic weavers scarcely maintained their reputation as examples of honest toil². The Commissioners gathered the impression³ that the older generations of weavers were a fine class of men, though other evidence seems to show that there were black sheep among them; but the trade had been decaying since the great war, and those, who had been brought up in it, under the new conditions of irregularity and poor remuneration, were of the type of dissipated men, and alternated periods of very severe work with periods of entire and not always involuntary idleness. That they were thus demoralised was undoubtedly their misfortune rather than their fault, but the fact is worth

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seen the domestic weaver in his miserable apartments and the power-loom weaver in the factory, I do not hesitate to say that the advantages are all on the side of the latter. The one if a steady workman confines himself to a single room, in which he eats, drinks and sleeps, and breathes throughout the day an impure air. The other has not only the exercise of walking to and from the factory, but, when there, lives and breathes in a large roomy apartment, in which the air is constantly changed. * * * The reason of the better morals of the factory hands was said to be, 'regularity of hours; regularity therefore of habits, and constant superintendence through the great part of the day. I believe * * * that journey-men tailors, journeymen shoemakers, domestic weavers, and all classes employed at piece-work, at their own homes, will be found to yield more readily to the temptations of idleness and intemperance than the classes who have to attend a warehouse or shop, or to work in a factory. One of the greatest advantages resulting from the progress of manufacturing industry is its tendency to raise the condition of women,' by offering an alternative employment to the needle. "The consciousness of independence * * * is favourable to the development of her best moral energies." *Reports*, 1840, xxiv. 681.

¹ Gaskell notes that there had been an improvement in this respect before 1838. *Manufacturing Population in England*, 66. See Webb, *Industrial Democracy*, II. 497.

² As early as 1838 the Glasgow weavers had a very bad reputation. *Reports*, 1838, xi. 299.

³ *Accounts*, 1839, xlii. 609.

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noting. It shows that the Industrial Revolution was becoming complete, and that the workers who were not only better off as far as wages went, but better in character, were those who had cast in their lot with the new order of things¹. The six years of factory inspection had doubtless contributed to raise the tone among mill-workers; the conditions of life in factory towns, especially with regard to intellectual improvement, and even in some quarters in regard to sanitation and the housing of the poor, were better than in rural districts. In the opinion of one at least of the Commissioners migration from the country to the towns was but the means by which the population obtained better opportunities of employment and ultimately better conditions of comfort².

271. There was plenty of room for effort to improve the conditions of work in other industries than the textile trades. The Commission of 1833 had called attention to the state of affairs which existed in the potteries and other employments, but it seemed impossible to bring them under any system of inspection and supervision at that time. The manufacturers were inclined to allege that there was need for reform in connection with rural labour, and that the landowners, who had voted for factory regulation, were by no means blameless. In 1843 special Poor Law Commissioners were appointed to investigate the condition of women and children in agriculture. But when they met, it soon became clear that there was no real case for enquiry. The transition in the rural districts, and disappearance of small farms and cottage industries, had been accompanied by much misery; but the new economic relationships which had been established, under capitalist employers, were not on the whole oppressive³. Agricultural

¹ *Reports*, 1840, xxiv. 681. Robert Owen's experiment at New Lanark was perhaps the first instance of a well-regulated factory population, but it did not stand alone, as we may see from the account of Mr Ashton's mills at Hyde. *Ib.* 682.

² *Reports*, 1840, xxiv. 677.

³ There were however some peculiar cases of contract in different parts of the country which required attention. The worst evils connected with parish apprentices were a thing of the past. It had been the practice of overseers to take the children of parents who had parish allowances, and to assign them by lot to farmers to whom they were bound till they were twenty-one years of age. In some exceptional cases everything went well, but much more commonly the system worked badly, alike for the apprentice who was bullied, and for the master

labour was not prejudicial to health in any obvious way, and young children were not employed at all. A.D. 1776
—1850.

There was, however, another large and growing industry in which a strong case for State intervention was made out, so soon as the matter was investigated. The degradation of the mining population was not in any sense due to the introduction of machinery, and was only indirectly connected with the Industrial Revolution. The grievances, in so far as they affected adults, had been brought about by the increased development of capitalist organisation, and a change of system. It appears that in old days it had been the habit of the miners to undertake work in a particular seam, and that an element of speculation entered into the terms they made¹. The basis on which wages were paid by the capitalist *and a strong case was established for interfering in regard to mines,*

who exacted unwilling service. There were some remains of the system in Devonshire as late as 1848 (*Reports, etc.*, 1848, xii. 59), but the worst evils had been corrected in 1816 (58 Geo. III. c. 189).

In the neighbourhood of Castle Acre, in Norfolk, a system of 'ganging' had grown up within very recent years. The parish of Castle Acre was held by several proprietors who did not attempt to limit the cottages; it thus came to be overcrowded with the surplus population of all the surrounding district. There was no sufficient employment for them in Castle Acre, and in many of the neighbouring parishes the farmers were short-handed, so that it was convenient to organise gangs; these worked in the fields under an overseer who had taken a contract for doing a certain piece of work. The gangs were often composed of children, and the overseer was a sweater; the system was thoroughly bad, but it appears to have been quite exceptional even in Norfolk, and unknown elsewhere (*Reports, etc.*, 1848, xii. 287).

There was also a special custom in Northumberland, where farm labour appears to have been in great demand. The villages were so few and distant that cottages were built on each farm; the labourer was engaged for a year, and was bound to furnish the labour of a woman on the farm as well as his own. The system appears to have been advantageous in many ways to the labourer, but it was said that the houses provided were inferior to cottages which were rented in the usual way. Still there was little substantial grievance in the system, but the name of the bondager roused sentimental objections, of which Cobbett made himself the exponent.

Certainly the Northumbrian labourers seem to have been well off as compared with those in the southern counties. See especially the very complete labourers' budget. *Ib.* 318.

¹ This was most obviously true of copper and lead mining, but appears to have held good of coal mining as well. Prebendary Gisborne wrote, "Hence there is a fundamental diversity between the gains of the miner and those of the husbandman. The husbandman, in general, earns a fixed sum per week. If he sometimes undertakes task work, the amount of his earnings may still be foreseen with tolerable accuracy; and it has a known limit in the strength of his body and in his skill in this particular sort of work. But the pay of the miner depends upon

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employer had survived from the time when this older practice had been generally current. There came, in consequence, to be elements of uncertainty, and serious deductions from the miner's pay, which prevented him from receiving a regular reward for the time spent at his work¹.

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This matter, however, like all questions in regard to adult male labour, lay outside the scope of the investigation which was undertaken on the motion of Lord Ashley. He had been taunted with a special animus against factory-owners, and in 1840 he proceeded to move that a Commission should be appointed to investigate the whole subject of the employment of women and children in collieries and mines². In 1842, the Commission presented their Report³, which revealed such a disgusting and brutalising state of affairs, that there was a unanimity of opinion in favour of an immediate measure of redress. This was all the more

chance. The working miner is almost always in some measure a gambler, and embarks in the adventures of the mine. In common, the miner is not disposed to adjust the scale of his expenses to the *average* of his earnings. Being accustomed to the occasional receipt of considerable sums of money, money too which has flowed in suddenly upon him, rather from good fortune than from proportionate exertions, he often raises his expenditure and mode of living to a pitch, to which the labourer in agriculture ventures not to aspire. He feeds on better diet, and wears clothes of finer materials than the husbandman.

"And, in general, he persists in this manner of life, in spite of a change of circumstances. He is buoyed up with the sanguine hopes of a gamester: and for what he cannot pay to-day draws on the favourable luck of to-morrow. This natural propensity is cherished and aggravated by the ease with which he obtains credit, in comparison of those classes of labourers whose gains though steady, are limited. If he happens to be unsuccessful, he is trusted nevertheless at shops, and permitted to run up long scores at public-houses, through the hopes entertained by the shopkeeper and the publican that a day will come when fortune will smile on the debtor. Thus the habits of the miner are seldom interrupted by any rubs and difficulties which may teach him caution. He has less occasion than most other men to dread the immediate inconveniences of poverty; and does not willingly learn the necessity of frugality and forecast." *Georgical Essays*, by A. Hunter, Vol. II. (1803), 49, *On the Situation of the Mining Poor*, by Rev. T. Gisborne.

¹ This state of things constituted a ground of appeal to the public. "Let me tell you, brave men, that the great object which you at present seek becomes pretty generally known to the public, to consist simply in getting twelve hours wages for every twelve hours you labour, as no other men on earth have ever been required to toil." *An earnest Address and Urgent Appeal to the People of England in behalf of the oppressed and suffering Pitmen of the Counties of Northumberland and Durham*, by W. Scott, 1831, p. 19. On the irregularity of payment to lead miners, see F. Hall, *Appeal to the Poor Miner* (1818), p. 40.

² 8 Hansard, LV. 1260.

³ Reports, 1842, xv. xvi. xvii.

important as the evils were increasing with frightful rapidity, and were to some extent an indirect consequence of the Factory Act of 1833. The education clauses in that Act had resulted in the discontinuance, in many districts, of the employment of children in factories who were under thirteen years of age. There was, however, nothing to prevent their working in mines from very early years and for the longest hours. "Amongst the children employed," as Mr Hickson writes, "there are almost always some mere infants * * *; the practice of employing children only six and seven years of age is all but universal, and there are no short hours for them. The children go down with the men usually at 4 o'clock in the morning, and remain in the pit between 11 and 12 hours." To ascertain the nature of the employment of these young children, he went down a pit 600 feet deep. The galleries were secured by traps or doors to prevent inflammable drafts. "The use of a child six years of age is to open and shut one of these doors when the trucks pass and repass. For this object the child is trained to sit by itself in a dark gallery for the number of hours I have described¹." In some of the collieries young girls as well as boys appear to have been employed, and the British parent who could no longer exploit his children in factories forced them to go to work in the neighbouring mines. This is one of the pieces of evidence which goes to show that the capitalist was not solely to blame in regard to the maltreatment of children, but that there was at least a reckless connivance on the part of the parents. This fact became still more obvious when colliers worked their own children in this way; they had not, generally speaking, the excuse of poverty, as their wages ranged considerably higher than in other callings². The measure, which was passed, followed on the lines which had proved successful in regard to factories, by arranging for the employment of inspectors, but in other ways the circumstances of the case demanded special treatment. Boys under ten years of age were not to be employed in the pits, and the

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The employment of young boys in mines

had been increasing,

but was now prohibited,

¹ Reports, 1840, xxiv. 687.

² Reports, 1840, xxiv. 688. Their average wages, according to the Report, were 24s. a week, cottage rent-free, garden ground and coal free.

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underground work of women and girls was to cease absolutely within a specified time, which it was hoped might allow for their obtaining employment in other callings¹. There were also careful provisions with regard to the prevention of accidents; and the period of apprenticeship was defined so as to avoid the recurrence of that practical bondage which was once so common in Scotland².

In this way the exercise of constant State supervision, both in regard to factories and mines, came to be recognised as desirable, with a view to securing the welfare of the labouring population. There was no conscious abandonment of the principles of *laissez faire*. The advocates of interference were content to maintain that they were dealing with exceptional cases. Still the recognition of the fact that there were exceptions, which demanded special treatment, brought about an important new development in practice. The exclusion of women and mere children from mines became so complete, that the excuse of legislating on their behalf could no longer be maintained. The inspectors of mines were as a matter of fact chiefly concerned in enforcing laws and suggesting improvements in the conditions under which work was done by adult men.

272. The State had done a great deal for improving the conditions in which the operatives worked before any necessity was felt for legislating in regard to the homes in which they lived. It was at the centres of the cotton manufacture that the difficulty first attracted attention, and it came into prominence, not as a sign of poverty³, but as presenting a

¹ 5 and 6 Vict. c. 99.

² *Reports*, 1844, xvi. 9. See above, p. 531.

³ It is most remarkable to find that public attention was still forced to the old, rather than to the new social difficulties, in regard to the whole question of poor relief. The insuperable problems of our time seem to be those connected with great cities,—with great masses of men huddled together, where there are none of the middle and upper classes to attend to the ordinary machinery of government in the widest sense of the word. So far as the Poor Law Commissioners of 1894 are concerned these difficulties might scarcely have existed. That they did exist and were very real we know from other sources. Dr Chalmers had endeavoured to organise a system of relief in Glasgow, which should be given on grounds of charity, and which should not have the demoralising effects of the aid that could be claimed as a matter of right (*Christian and Civic Economy of Large Towns*, II. pp. 235—365: *Political Economy, Works*, xix. 400). He was not apparently aware that the legal relief, which he denounced, had been, as a matter of fact, the outgrowth of a system of voluntary and charitable assistance, such as

danger to health. In Manchester, and the towns round it, there was a vast increase of population, and as early as 1795 Dr Aikin¹ and Dr Percival called attention to the miserable character of their accommodation. The sudden flocking of the population to these towns was the occasion of overcrowding in its worst forms, and gave the speculative builder a magnificent opportunity for erecting insanitary dwellings. Friedrich Engels' painstaking description of the housing of the Manchester poor is well worth perusal². The evil had then been of long standing, and was probably connected with the decay of municipal institutions which was so noticeable in the seventeenth and eighteenth century. In mediæval times the townsmen had been eager for the maintenance of public health, but it was only after the Municipal Reform of 1833³ that administrative authorities were available to attempt to deal with the new problem. Even then an outside stimulus was needed: not till the cholera appeared, and it became obvious that the condition in which the labourer constantly lived was a source of public danger in he highly extolled. The changed character of poor relief in modern times is but an instance of the alteration which has taken place in regard to so many duties; as they become common, they also become secularised. There was less difference between the law in England and Scotland than is generally supposed, though there was a very great difference in the administration. *Reports*, 1839, xx. 168.

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¹ J. Aikin, *A description of the country from thirty or forty miles round Manchester*, 1795, p. 192.

² Engels, *Condition of the Working Class*, pp. 24—66.

³ The increased efficiency of municipal institutions reorganised under parliamentary authority has been one great factor in progress. The old state of affairs is thus described: "In conclusion we report to your Majesty that there prevails amongst the inhabitants of a great majority of the incorporated towns a general and in our opinion a just dissatisfaction with their Municipal Institutions; a distrust of the self-elected Municipal Councils; whose powers are subject to no popular control and whose acts and proceedings being secret are unchecked by the influence of public opinion; a distrust of the Municipal Magistracy tainting with suspicion the local administration of justice, and often accompanied with contempt of the persons by whom the law is administered; a discontent under the burthen of Local Taxation, while revenues that ought to be applied for the public advantage are diverted from their legitimate use, and are sometimes wastefully bestowed for the benefit of individuals, sometimes squandered for purposes injurious to the character and morals of the people. We therefore feel it to be our duty to represent to your Majesty that the existing Municipal Corporations of England and Wales neither possess nor deserve the confidence or respect of your Majesty's subjects, and that a thorough reform must be effected before they can become, what we humbly submit to your Majesty they ought to be, useful and efficient instruments of local government." *Municipal Corporations Commission Report*, in *Reports, etc.* 1835, xxiii. 49.

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times of pestilence, were serious measures taken to improve industrial dwellings and to remedy the defective sanitation of our great towns.

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There is a curious parallelism between the history of the first great outbreak of cholera in Europe and the accounts of the Black Death; though there are also marked differences. Each originated in the East, though not at the same point; each travelled in the course of trade to Europe, though along different routes; and each ran a most devastating course when it reached this island, though one ravaged the country generally, and the other fastened especially on the insanitary areas of towns, and the poorest and famished inhabitants. The character of the disease was well known to medical men; they watched its course from Bombay through Astrakhan to Riga, and predicted with considerable accuracy the points which it was likely to attack¹. The first case was noticed at Sunderland in 1831; from that place it seems to have spread through the Tyne district; and outbreaks followed shortly after in many of the seaport towns and manufacturing districts². The most serious epidemic occurred at Bilston in the Black Country, where out of a population of 14,492 there were no fewer than 3,568 cases in seven weeks, and of these 742 proved fatal. The textile districts round Manchester and in the West Riding suffered severely, and the outbreak in Glasgow was very serious. Typhoid had been prevalent in similar areas for many years, and nothing had been done; and even after the cholera scare, some years elapsed before it was felt requisite to take general action in regard to insanitary conditions³. Public opinion was gradually impressed, as to the necessity of Governmental action, by the investigations instituted by the Royal Commissioners for enquiring into the state of large towns and populous districts; they insisted that much of the disease in the country was due to preventable causes, and that, in many districts, improved

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¹ R. Orton, *An Essay on the Epidemic Cholera of India* (1831), 462—469.

² Compare the table in Creighton, *History of Epidemics in Britain*, II. 821.

³ The influence of the cholera epidemic in 1831 in leading to some immediate though minor reforms locally, and the effect of the later visitations in 1849 and 1854 in inspiring the Legislature to renewed activity, is pointed out in the *Second Report of the Royal Sanitary Commission* (1871), xxxv. 10—14.

drainage, or a sufficient water-supply, would contribute to a diminution of mortality¹. They also pointed out that the injury to health, which arose from noxious manufactures, might be minimised by proper precautions². The Public Health Act of 1848³ was based on their recommendations; it created a central authority⁴ to take steps through the action of inspectors for constituting local boards; the powers given under the Act provided for the removal of nuisances, and for insisting that any new buildings⁵ erected should conform with a new standard of sanitary requirement. Additional powers were conferred from time to time⁶, as to the removal of nuisances and insanitary property, but so long as the Local Boards were separate and independent bodies little progress was made in enforcing the Acts. Since the constitution of the Local Government Board in 1871⁷, there has been more possibility of bringing pressure to bear on the local authorities, and of exercising some control over sanitary conditions in all parts of the country. The analogy of the system of factory and mining reform has not been followed very far, however, as various aspects of the sanitary problem are dealt with by different departments, instead of being committed to one central authority, and there is not sufficient staff for constant inspection.

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In the meantime a beginning was made in dealing with another side of the problem. It was not only necessary to see to the qualitative conditions of the labourers' dwellings, but to take steps with a view to providing an amount of accommodation that should meet local requirements, without serious danger of overcrowding. Lord Shaftesbury's Labouring

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of the poor

¹ *Reports of Commissioners for inquiring into the State of Large Towns*, 1845, xviii. 7.

² *Reports*, 1845, xviii. 51.

³ 11 and 12 Vict. c. 68.

⁴ The Central Board was reconstituted in 1854, and in 1858 its powers were transferred to the Privy Council.

⁵ The Report of the Select Committee of 1840, which contains some interesting statistics as to the rapid growth of Manchester, Glasgow, and other factory towns (*Reports*, 1840, xi. 279), advocated the introduction of a General Building Act. Rules were laid down for London in 1844 (7 and 8 Vict. c. 84) and permissive powers were conferred on local authorities generally in 1858.

⁶ 18 and 19 Vict. c. 121 and 29 and 30 Vict. c. 90.

⁷ The necessity of better sanitary administration was one of the chief reasons for taking this step. *Reports*, 1871, xxxv. 87.

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Classes Lodging-House Act¹ empowered local authorities to purchase houses, which should be used under their control for the letting of lodgings; and the series of Torrens and Cross Acts² not only deal with the demolition of insanitary property, but authorise the building and maintenance of improved dwellings by municipalities.

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This difficult problem has not been entirely left to public authority however, as much useful work has been done, through the frugality and enterprise of the higher grades of artisans, in providing themselves with comfortable houses. This has been effected in many cases by the agency of building societies, which enable their members to save money and then to lend to one another on excellent security and easy terms, so that they can build their own houses and eventually live rent free. This form of self-help was put on a legal basis by an Act in 1836³ and has been very widely taken advantage of, though it appears that its popularity among artisans has been declining in recent years.

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There is no question in regard to which it is more difficult to lay down the limits of interference by public authority with private transactions than that of the housing of the poor. The standard of sanitary requirements is changing rapidly, as medical science throws fresh light on the causes of disease, and the evils of overcrowding become more patent. It has often been found hard to bring home the responsibility for the insanitary state of property to the proper person; and it may be physically impossible to provide sufficient accommodation, within a limited area, at prices which the poor can afford to pay. Recent improvements in rapid transit are doing something to simplify the problem, but public authority seems to be placed in the dilemma of attempting, either to force individual builders and landlords to carry on their business under unremunerative conditions, or to provide shelter by its own action for the poorest classes in the community at the expense of the rest.

¹ 14 and 15 Vict. c. 34.

² These were consolidated in the Housing of the Working Classes Act in 1890.

³ 6 and 7 William IV. c. 32, *An Act for the Regulation of Benefit Building Societies.*

We are not concerned with the solution of this difficulty, A.D. 1776
—1850. however, but only with the fact that since 1845 serious attempts have been made to face it. During the second quarter of the nineteenth century administrative machinery had been created to supervise the conditions of work in many trades and to deal with the conditions of life in general. Henceforth account was to be taken of the principal conditions of welfare, so far as the poorest members of the community were concerned. At first sight it seems to be a return, under new forms, to the paternal government of the Tudor and Stuart monarchy; but the difference lies deeper than in the fact that the new administrative bodies derive their authority from statute and not merely from the Crown. The new conception of human welfare is larger; the aims of modern officials are more ambitious. Just as we have learned that national wealth consists of the aggregate of individual wealth at least, whatever else it may include, so do we recognise that the aggregate of individual welfare constitutes a large part of national welfare. The Stuarts aimed at promoting definite and important national interests, if need be at the expense of individual interests¹, while modern legislation aims at having a regard to all private interests—chiefly by giving them free play, but also, by fostering them when necessary—as the true means of promoting national interest. At no other period have such pains been taken to secure the healthy development, physical and moral, of the rising generation in all parts of the realm, or has there been such completely organised national machinery for exercising a control over the conditions in which work is done.

The new administrative machinery for social purposes is very different from that of the Stuarts

in its aims

and methods.

V. FACILITIES FOR TRANSPORT.

273. The staple industries of the country had been revolutionised by the introduction of machinery, before serious efforts were made to bring inventive power to bear on improving facilities for transport within the country and by sea. The system of internal communication, both by land and water, had been enormously improved during the last quarter of the eighteenth and the first of the nineteenth century, but

The demands of manufacturing districts

¹ See p. 17 above.

A.D. 1776
—1850.

*for im-
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*were met
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it failed to keep pace with the increasing demands which had arisen in the manufacturing districts. There was such a congestion of traffic on the canal between Liverpool and Manchester that the proprietors were able to charge very heavy rates. Any scheme, which offered a prospect of establishing a successful competition and bringing about a fall in the cost of carriage, was sure of an eager welcome from the mill-owners; and the project of building a railway, to be worked by locomotive engines, was readily taken up, and obtained Parliamentary sanction in 1825. George Stephenson had already rendered steam-traction a practical success, on a small scale, at Killingworth; and the Stockton and Darlington Railway had been empowered to use the new motor in 1823. The object of the projectors was to obtain a better mode of hauling heavy goods, and they seem to have had no idea of the high rate of speed at which the trains would run; Stephenson had estimated it at fourteen miles an hour. The formal opening of the Liverpool and Manchester Railway, saddened as it was by the accident which caused Mr Huskisson's death, impressed the public mind with the extraordinary possibilities of the railway engine. It was at once obvious that the new system was not only preferable for hauling heavy goods, but for rapid communication as well; the mails were transferred to the Liverpool and Manchester Railway soon after it was opened, and year by year, one or another of the well-appointed coaches, which had been the subject of so much pride, was forced off the road. Ever since 1830 the building and improving of lines of railway has gone on steadily; goods can now be profitably carried at rates which were impossible before, and there has been an extraordinary saving of time as well. As Professor Levi wrote in 1872, "Before the railway was established between Liverpool and Manchester there were twenty-two regular and seven occasional extra coaches, which if full would carry 688 persons. The railway carried in eighteen months 700,000 persons, or on an average 1,070 per day. The fare per coach was 10/- inside, 5/- outside; by railway 5/- inside, 3/6 outside. By coach it took four hours to go from Liverpool to Manchester or *vice versa*, by railway $1\frac{3}{4}$ hours. The rate of goods was 15/- per

ton, by railway 10/8. By canal, goods took 20 hours, by railway 2 hours¹." A.D. 1776
—1850.

None of the other improvements of the nineteenth century awakened so much foreboding as was roused by the railways at first, and in no other case has the boon to the public been so immediate and obvious. The profits of the Liverpool and Manchester Railway were so large that the market price of the shares doubled; and the development of traffic was such that the waggons, which had carried goods for long distances before, might have been absorbed in the subsidiary employment of taking goods to and from the stations. The loss involved, in superseding the old methods of transport by a new one, was comparatively slight, and a wonderful stimulus was given to business of every kind. Under the new Poor Law the labourer was much more free to migrate, and the railway gave him facilities to transfer his labour to the districts where it was most wanted. The saving of time and money was a boon to the capitalist, and the rapidity of transit by rail rendered it possible to fetch fruit, dairy produce, fish and other perishable goods, from long distances, to markets in London and other large towns. All classes in the community, both producers and consumers, have derived some economic advantage from increased facilities for inter-communication.

The introduction of railways has also served to accelerate some of the changes which were already at work in English economic life. The effect of the factory system had been to concentrate industry in certain localities, where power or materials were easily obtainable. Manufacturing on a large scale, with much division of labour, became more feasible when there were better means of distributing the goods and finding a market in the most distant parts of the country. This concentration of labour in factories has had a corresponding effect on rural districts; there has been an increased differentiation between town and country, and diminished scope for the employment of the village artisan, or for the tradesman who catered, in market towns, for a rural neighbourhood. The introduction of railways has given an immense

¹ Leone Levi, *op. cit.* 198.

A.D. 1776 stimulus to the material prosperity of the country as a
—1850. whole; but there are districts which have profited little, if at all, by the change, while the increase of wealth in the progressive centres has been unexampled.

Great as was the impulse which was given to economic progress by the building of railways in England, the revolution they effected in other lands was even more remarkable. Distances in Great Britain are comparatively short, and the obstacles to internal communication by road, or water, are not insuperable; railways only served for the most part to improve existing lines of traffic. In America the conditions were entirely different; railways rendered it possible to establish direct connection between the Eastern and the Middle States; the great plains, beyond the Alleghanies, which had been dependent for all their traffic on the Ohio, the Tennessee and the Mississippi, now found means of direct access to the Atlantic coast, and the railways have enabled successive generations of pioneers to push farther and farther West. Steam traction shows itself at its best in hauling freight over great distances; it is under those circumstances that the full convenience of the railway system comes out most clearly. The United States had begun to supply this country with cereals to some extent, before and during the Napoleonic War, but it has only been as a consequence of the introduction of railways that the English farmer is regularly and ordinarily exposed to competition with the wheat growers of the most fertile regions of the West. The development of the railway system in America has done much to deprive the landed classes in England of the natural protection, which was afforded by distance and difficulty of transport¹.

especially after the system was introduced in America.

The application of steam power

The application of steam power to shipping has had somewhat similar results. At first it was introduced in connection with internal communications in canals. The *Charlotte Dundas* was the first steam-tug that ever plied; in 1803 she was at work on the Forth and Clyde Canal. A more ambitious attempt was successfully carried out in America in 1807, when regular communication by steam-packet was established on the Hudson, between New York

¹ *Reports*, 1888, XLV. 362.

and Albany. Farther progress was comparatively slow, as it was not till 1820 that steamers were employed between Dublin and Holyhead; and it was only in 1838 that the first Transatlantic voyages were attempted. The *Enterprise* had made the voyage to Calcutta in 1827, but this proved unremunerative, and the difficulties of obtaining fuel and working engines in the tropics, rendered the success of such long and distant trips problematical. Still the new invention opened up a prospect of rendering communication with India much more rapid, and the Government, along with the East India Company, organised a system for reopening the old route to the East through Egypt. This was a scheme which we inherited from Napoleon, and it was well-adapted for the early days of steaming, as the long voyage was interrupted by a brief journey overland. In 1835 steamers were regularly passing between Bombay and Suez, while the English Government despatched vessels to convey letters to Alexandria¹. The detailed facilities for this overland route were carried out by Lieutenant Waghorn; and the dromedary post which had been organised by Bagdad, Damascus, and Beyrout was superseded.

The superiority of the steamer in regularity and punctuality was obvious from the first, so far as passenger traffic was concerned; and the increase of steam-shipping went on side by side with that of sailing-vessels for thirty years. Steam had no such superiority over sailing as to supersede the older system on the water, in the rapid manner in which the locomotive asserted its superiority on land. Gradually, however, the regularity and punctuality of steam-ship voyages began to tell for freight, as well as for travellers, and since 1860 the increase of steam-shipping appears to have occurred to some extent at the expense of the sailing-vessels. The new motor power has played a part in the recent development of British commerce. This has been advantageous to the manufacturer, as giving facilities both for the purchase of materials and the sale of goods, but the landed interests have derived little advantage and have been exposed to keener competition. On the whole it would seem that the

A.D. 1776
—1850.

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¹ Lindsay, *Merchant Shipping*, iv. 358.

A.D. 1776
—1850.

*Under the
influence
of new
conditions*

introduction of improved facilities for traffic has tended to depress the landed interest relatively to the merchant and manufacturer.

*facilities
were given
for the
formation
of joint
stock
companies*

274. The development of the means of transport during the first half of the nineteenth century was accompanied by considerable changes in business organisation. The new undertakings, which were called for in order to carry on the trade of the country, were on such a scale that they offered a field for associated rather than private enterprise. This form of trading had been greatly discredited¹, since the era of speculation, when the South Sea Scheme had been floated. In 1719 the Bubble Act was passed², which prohibited the formation of companies with transferable shares, unless they obtained incorporation by charter from the Crown or by Act of Parliament. Unincorporated companies had no legal existence, since they could neither sue nor be sued, and they were not partnerships, as the shares were being constantly transferred; they were an anomaly in the business world, since contracts could not be enforced or debts recovered. Even the chartered corporations had an unfair advantage in trade; as the members were only liable for the amount of their contribution, and no individual was personally responsible for the debts incurred by the corporation. When in 1825 the Bubble Act was repealed³, and opportunity was given for the formation of joint-stock companies, pains were taken to protect the public in their dealings with companies. Power was given to the Crown, when granting a charter of incorporation to a trading company, to render the members who composed it personally liable for the whole or any part of the debts of the corporation.

From this time onwards, when the complete responsibility of the members of corporations was secured, there has been a tendency to facilitate the formation of joint-stock companies rather than to discourage them. In 1844 arrangements were made by which trading companies could obtain a Certificate of Incorporation⁴ on simple conditions and without the delay and expense which were involved in appealing to

¹ Napier, in *A Century of Law Reform*, 580.

² 6 Geo. I. c. 18, § 18.

³ 6 Geo. IV. c. 91.

⁴ 7 and 8 Vict. c. 110.

the Crown or Parliament. A still more remarkable change occurred in 1855¹, when the principle of the limited liability of shareholders, which previous generations had considered to be so dangerous, was recognised as reasonable. Companies, with shares of £10 and upwards, could henceforth be formed, the shareholders of which were not, in the event of the bankruptcy of the company, liable for more than the amount of their shares. The Company Acts were consolidated in 1862², and greater opportunity was given than before for obtaining a number of small contributions towards the large capital which was necessary to carry on the trade of the world.

A.D. 1776
—1850.

with
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There had been some discussion, during the eighteenth century, as to the kinds of business for which Company organisation was adapted, and Adam Smith had laid down the canon that it could only be suitably introduced in cases where the conduct of affairs could be reduced to some sort of routine; but owing to changed circumstances it was possible to bring much of the external traffic of the realm under these appropriate conditions. The business of carrying became more completely differentiated from that of trading in goods, and companies were formed to organise and maintain fleets of steamers and sailing-vessels, which should ply at regular intervals between definite ports. In 1840, a firm of ship-owners, which was already responsible for the conveyance of mails to the Peninsula, was reconstituted on a joint-stock basis, and obtained such a command of capital as to be able to provide a regular service of steamers between London and Alexandria, and between Suez and Bombay³. Similarly the partnership of Messrs Cunard, Burns, and McIver, to whom the contract⁴ for conveying the Atlantic mails by steamer was given in 1838, was the foundation of the Cunard Company. Communication with the West Indies was accelerated by the formation of the Royal Mail Steam-Packet Company, which started on a large scale; the venture did not prove remunerative at first, and the company only maintained its

and these
were largely
used

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shipping-

¹ 18 and 19 Vict. c. 138.

² 25 and 26 Vict. c. 89.

³ Lindsay, *History of Merchant Shipping*, iv. 388.

⁴ *Ib.* 180.

A.D. 1776
—1860.

existence through the aid of considerable subsidies granted by Government¹; the Pacific Steam Navigation Company had even greater difficulty in developing the trade which was necessary to render their enterprise profitable. It was only gradually that the conditions, in which the competition of steamers, whether under company or private management, with sailing-vessels could be successfully carried on, came to be better understood.

*The trade
of the East
India Co.
to India*

These new shipping companies had no pretensions to exclusive rights, and were in this way entirely unlike the great trading companies of the seventeenth century. The regulated companies had for the most part been thrown open about the time of the Revolution, and during the eighteenth century they seem to have gradually lost their practical importance, but the two great joint-stock companies were retained. The conditions, which had rendered company trading with Hudson Bay desirable, still prevailed; but the very success of the East India Company, in the exercise of its political and military powers, removed the excuse for continuing its exclusive trade. The fact that a stable Government had been established, rendered it possible for any Englishman to trade with India, without causing difficulties with the native potentates. In 1813 the trade to India was thrown open to all British subjects²; but the Company still retained a monopoly of the trade with China, and controlled the supply of tea. This had become an article of common consumption in England during the eighteenth century, and the Company appeared to reap a large profit from the terms on which they supplied it. The controversy, which arose on this subject, was a curious echo of the seventeenth century debates on well-ordered trade, though the point in question was the dearness of an import³, and not the diminution of the vent for English cloth⁴.

*was thrown
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¹ Lindsay, *History of Merchant Shipping*, iv. 295.

² The Company continued to transmit a certain quantity of goods to this country, as that was the most convenient form in which to make their remittances, but they practically ceased to take any part in the export trade from this country. Mill, *History* (Wilson), ix. 332.

³ There is a certain analogy with the fourteenth century disputes about the vintners and the high price of wine. Vol. i. p. 818.

⁴ On the complaints which were urged against the Merchant Adventurers for their stint see above, p. 281 n. 4.

The Company were able to limit the quantity of tea imported and thus to control the price. The method of sale had been defined by the Act of 1784, when it was determined that the Company should, four times a year, put up for auction a quantity of tea, which they supposed would meet the demand. The upset price was to be such as would defray the prime cost, freight, etc. The Company however calculated these various items on a system which gave rise to much complaint. It was held that, if they pushed the sale of English manufactures in China, they could procure the goods on far cheaper terms, that their charges for freight were excessive, and that their costly establishments were an unnecessary burden. The merchants pointed out that the price of tea in Hamburg was about half of that paid at the East India auctions in London; but the Company retorted that the critics took no account of the difference of quality. The interest of the English consumers prevailed, however, against a privileged body of traders; and the China trade was thrown open in 1833.

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—1850.

but the
exclusive
trade with
China

The difficulties which have been found since that time, in maintaining satisfactory political relations with the Chinese authorities, and in affording protection to and exercising authority over European traders, have been very great: it may at least be doubted whether the old method of trading, through an exclusive company, was not after all well adapted to the circumstances of the country. Till 1833 all trade between the Chinese and the outside world had been carried on through the agency of a corporation of native merchants known as the Co-hong, who seem to have exercised the same sort of privileges which were formerly bestowed on Gilds merchant. They were responsible for one another's debts, an arrangement which enabled some of them to trade recklessly on credit, and caused frequent difficulty¹; and a Hongist was responsible for the good behaviour of each foreign merchant². An exclusive mercantile company, like the East India Company, was organised on lines which they understood; but the Chinese had no respect for the civilisation, or powers, of European States. The policy of the East India Company,

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¹ J. F. Davis, *The Chinese* (1840), 46.

² *Ib.* 47, 60.

A.D. 1776
—1850.

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tition had
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results,*

and of the central Chinese Government, had harmonised in regard to the smuggling of opium. The East India Company were anxious to maintain their monopoly in the growth¹ of Indian opium, while the Chinese desired to limit and control the consumption of the drug. Opium had been regularly imported under a duty till 1796, when the importation was prohibited; and systematic smuggling was subsequently developed on a large scale².

Dire confusion in regard to this and all other branches of commerce followed from the sudden suppression of the exclusive powers of the Company. The attempt to establish political, as distinguished from commercial relations, was a failure, for when Lord Napier arrived in Canton, in 1834, as the direct representative of the British Crown, the Chinese Government treated him with contempt. The new commercial methods did not commend themselves to the Chinese; the Hongists were dissatisfied with the change, and demanded that the English should elect a commercial chief to control their shipping³. The English merchants too, as isolated individuals, had greater difficulties about recovering debts than in former days⁴. All regulation was at an end; the illicit trade in opium, against which the Chinese had protested, was now carried on without disguise at Canton; and the enforced surrender by British merchants of a large quantity of the drug led to the necessity of armed intervention. The so-called Opium War

¹ The East India Company had endeavoured to put down the growth of the poppy in Rajputana; though the treaties by which the suppression of the cultivation was secured could not be strictly enforced, they did succeed in greatly limiting the trade. Mill, *op. cit.* ix. 174.

² The opium which was thus smuggled was mostly grown in Mahoor and other Rajputana States, whence it was conveyed to Karachi to be shipped. Much of this contraband business was chiefly carried on by the Portuguese at Macao, and by other traders, most if not all of them British, at Lintin, a small island at the mouth of the Canton river. Davis, *op. cit.* p. 49.

³ This was much needed, as some of the British traders were mere buccaneers, who were prepared to indemnify themselves by acts of reprisal on their own account (Davis, 57). The Chinese were quite incapable of controlling their own subjects. About 1810 the seas were completely infested by a body of pirates, known as Ladrões, who were latterly commanded by a woman (*Ib.* 84). We can perhaps find a parallel in Europe in the fourteenth and fifteenth centuries, with the Rovers of the Sea (Vol. i. p. 366), or Victual Brothers.

⁴ Davis, *op. cit.* 59.

was concluded in 1842 by a treaty, under which Hong-kong ^{A.D. 1776} was ceded to England, and trade at Shanghai, Canton, Amoy, Ningpo, and Foo-chow-foo was opened to British subjects; while the monopoly of the Hongists, as the agents for foreign trade, was entirely done away. ^{—1850.}

For good or for evil, the system of relieving the Government of responsibility for distant trades, by conferring combined political and trading rights on an exclusive company, had come to an end. The East India Company had lost its trading character, and continued as an administrative body for political and military purposes till the outbreak of the Mutiny in 1857, when the governmental system of India was reconstructed. The other great seventeenth century company which survived, retained its character as a trader, but had lost much of its political significance¹. Since the conquest of Canada, the forts on Hudson's Bay had ceased to be the outposts of English encroachment on the sphere of French influence. In so far as the company form has been retained in more recent times in connection with the development of Borneo or of Rhodesia², there is no real reversion to the old type. The company system has been adopted, not as a means of relieving the Government of responsibility, but as an administrative form through which the duty of the State, for the protection of English traders and of native races, can be most effectively exercised.

In the same decade, in which the last vestiges of monopoly in the foreign trade of the country were being broken down, it became necessary to guard against the danger of a new monopoly arising in connection with internal communications. In countries where railways had been built by the State, the difficulty of protecting the public welfare from private interests did not arise; but in England, the development of the new system of transport was left to associated enterprise, and was effected by joint-stock companies. The legislature had anticipated that the roads laid down by the railway companies would be available for private persons to run their own engines and waggons, subject to the payment of tolls. It

when the last remnant of monopoly in ocean trade was given up.

The danger of monopoly growing up for internal communication

¹ See above, p. 279 n. 4.

² Nicholson, *Political Economy*, II. 254.

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—1850.

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Railway
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sion.*

*The in-
adequacy
of the credit
system for
modern re-
quirements*

soon became clear, however, that this plan was impracticable, and that it was necessary that there should be on every line "one system of management under one superintending authority, which should have the power of making and of enforcing all regulations necessary for the protection of passengers, and for duly conducting and maintaining this new mode of communication. On this account it is necessary that the company should possess a complete control over their line of roads, although they should thereby organise an entire monopoly of the means of communication¹." So soon as the actual condition of affairs was recognised it was felt that these private companies should be "so controlled, as to secure the public, as far as possible, from any abuse which might arise under this irresponsible authority." It was necessary on one hand, to provide that every reasonable precaution should be taken to insist on the safety of the travelling public, and on the other to see that the companies did not charge excessive fares. An important step in this latter direction was taken by the Act of 1844, which rendered the running of trains at the fare of one penny a mile obligatory², while the establishment of a Railway Commission³, in 1873, has afforded the means of exercising a constant supervision over rates in the public interest. This was a remarkable development of State interference; it could no longer be treated as exceptional action in order to protect those who were too helpless to protect themselves; there was here a definite revolt from *laissez faire*, and an assertion of the necessity of controlling the manner in which business was carried on, so that there should be due regard to public welfare.

275. The increase of commercial intercourse, which occurred during the earlier part of the nineteenth century, involved a great development of the credit system of the country. Several changes in the organisation and management of banks were brought about, for experience was growing, and the necessity of altering financial practice had been forced

¹ *Report*, 1839, x. 188; second report, p. vii.

² 7 and 8 Vict. c. 85.

³ 36 and 37 Vict. c. 48.

upon the attention of the country by the recurrence of commercial crises. A.D. 1778
—1850.

There was wide-spread and severe disaster in 1825. The failure of Spain to retain her hold over her colonies had opened up Mexico and Spanish South America as fields for the sale of English goods, and the investment of English capital. This gave rise to a sudden development of mining speculation¹, and a large exportation of English manufactures; while there was also a considerable response on the part of the English public to the demands of the new republican government for loans for public purposes². As a consequence a rapid drain of gold began, and the Bank failed to check it by contracting its issues; since large quantities of paper were put into circulation by the country banks, and merchants were compelled to realise, there was an inflation of prices. After credit had thus unduly expanded, the Bank decided that a sudden change of policy was necessary, and in May 1825 contracted its issues. Alarm spread, and many of the country banks were unable to meet their engagements, or honour the notes which they had issued; a deficiency of the circulating medium was in consequence brought about. It became impossible to borrow money on any terms³, and numerous important firms failed; but the Bank had been able to hold its own, partly by utilising £1 notes; bullion began to come from France; and the Bank, by issuing freely as soon as the worst was over, replaced the gap in the circulating medium that had been caused by the discredit of the notes of country banks. was brought out
by the crisis
of 1825,

The disasters of the time were alleged to be due to the policy which had been pursued in granting a monopoly to the Bank of England, as against other companies⁴. This was which led
to a
renewed
agitation
against the
monopoly
of the
Bank of
England

¹ McLeod, *Theory and Practice of Banking*, II. 110.

² The conversion of the English debt in 1824 and reduction of interest on 4 per cent. stock to 3½ per cent. caused investors to look out for foreign securities that offered higher rates. *Ib.* II. 108.

³ The usury laws, which rendered interest above 5% illegal, proved an obstacle to prevent lenders from offering money at the high rates which the state of the market justified. *Ib.* 112.

⁴ This was Lord Liverpool's opinion: "What was the system in existence at present? Why the most rotten, the most insecure, the very worst in every respect that could possibly be conceived. Any petty tradesman, any grocer or

A.D. 1776
—1850.

and to the
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provincial
banks,

said to have prevented any general development of banking facilities throughout the country, such as had occurred in Scotland through the competition of powerful banks. The Bank of England took some steps to follow the example of the Scotch banks, by starting branches in Leeds, Liverpool, Birmingham, and other towns¹. At the same time, a measure was passed which broke down the monopoly of the Bank of England in the provinces, as it allowed the formation of joint-stock companies, to carry on banking business at any place which was distant more than sixty-five miles from London²; but comparatively little progress was made³. Joint-stock enterprise laboured under many disadvantages⁴, and it was only after 1838, when these banking companies obtained power to sue and be sued⁵, that they began to increase not only in numbers, but in reputation as substantial undertakings; additional facilities for forming such banks were given in 1844⁶.

and of
banks with
power of
issuing
notes in
London.

Even before the commencement of provincial joint-stock banking, the question had been raised as to whether the charter of the Bank of England really prevented the starting of new banking companies⁷, or whether it merely prevented a new banking company, when started, from engaging in certain kinds of business. When the Bank charter was renewed in 1833 the Directors endeavoured to secure a definition of their claim which would strengthen their position, but the Government refused to impose any new restriction, and set the matter at rest by a declaratory clause⁸. Advantage was at once taken of the permission, thus accorded, to organise the London and Westminster Bank. It had no power to issue notes; but it was in a position to receive deposits, and make advances to traders. The success, which attended its opera-

cheesemonger, however destitute of property, might set up a bank in any place, whilst a joint-stock company, however large their capital, or a number of individuals exceeding six, however respectable and wealthy they might be, were precluded from so doing." *Hansard*, N.S. xiv. 462.

¹ McCulloch, *Dictionary* (1840), 76.

² 7 Geo. IV. c. 46. ³ McLeod, *op. cit.* n. 883.

⁴ See above, p. 816.

⁵ 1 and 2 Vict. c. 96.

⁶ 7 and 8 Vict. c. 118.

⁷ Mr Joplin argued in 1823 that the existing charter of the Bank did not exclude joint-stock companies. McLeod, *op. cit.* n. 884.

⁸ 8 and 4 Will. IV. c. 98, § 3.

tions, gave the public a new conception of the nature of banking business, and showed that this might be largely developed, without interfering with the responsibility of the Bank of England in issuing notes. A.D. 1776
—1850.

Such was the state of affairs in 1844, when an opportunity occurred of revising the terms on which the charter of the Bank was granted¹. Sir Robert Peel treated the difference which had emerged, between the issue of notes and dealing in other forms of paper-money², as a matter of principle, and divided the Bank of England into two departments; one of these carried on banking, in competition with other institutions, while the other was concerned with the issue of notes. It was his opinion that the inflation of prices in 1825, and the crisis of 1837, had been due to over-issues of notes, and that the power of augmenting the circulating medium should be restricted. This view had been gaining ground for some time; it had so far met with acceptance that the issue of £1 notes had been discontinued in England³. By the Act of 1844 it was determined that no new institution should have a right of issuing notes, and provision was made with a view to extinguishing the right in the case of existing banks, or of transferring it to the Bank of England⁴. Sir Robert Peel desired to get the whole business of issuing notes concentrated in the hands of the Bank of England. He refused, moreover, to leave any discretion to the directors in the management of this Issue Department. £14,000,000 in Government securities was to be transferred to the issue department, and for every note that was issued beyond this amount, bullion was to be retained in the vaults of the Bank. It was hoped that in this way the currency of the country would be mechanically kept on the same level as if it actually consisted of gold⁵, and that variations in credit would not react on the ordinary circulating medium.

By the Act of 1844 the responsibility for issuing notes

was concentrated in the Bank of England.

¹ The privileges conferred in 1833 did not actually expire till 1855, but Parliament had a right of revision in 1844. 3 *Hansard*, LXXIV. 720.

² He distinguished between paper currency and paper credit. 3 *Hansard*, LXXIV. 784.

³ 7 Geo. IV. c. 6.

⁴ 7 and 8 Vict. c. 82.

⁵ Sir R. Peel said in introducing his measure:—"My first question, therefore, is, What constitutes this Measure of Value? What is the signification of that

A.D. 1776
—1850.

*but this did
not prevent
the occur-
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crises.*

*The large
amount of
capital
sunk in
railway
enterprises*

The expectations of Sir Robert Peel were soon to be falsified, however; before three years had elapsed a very serious crisis occurred. This had not been brought about by over-trading and the inflation of prices; indeed it followed a period of commercial depression, which was chiefly due to the vigour with which railway enterprise was taken up, and the fact that the ordinary course of commercial transactions was dislocated. In the autumn of 1845, 2,069 miles of railway were opened, with a capital of £64,238,600; while 3,543 miles of railway were in progress, involving capital to the amount of £74,407,520¹. Of course there was no immediate return on this large amount of capital; it was for the time absolutely sunk; the investment of so much money, in forms that were not immediately productive, had the result of injuring many branches of industry, and depressing commerce. In so far as the wealth devoted to railway enterprise was withdrawn from circulation in the form of wares, the effects were for the time being disastrous. The proprietors had less means available to purchase goods. Capitalists found that their sales diminished; they were unable to replace their stock of materials, or to continue to pay wages, until their stores of finished goods were realised; and a general stagnation resulted². As Mr Wilson puts it,—“Let

word ‘a Pound,’ with which we are all familiar? What is the engagement to pay a ‘Pound’? Unless we are agreed on the answer to these questions it is in vain we attempt to legislate on the subject. If a ‘Pound’ is a mere visionary abstraction, a something which does not exist either in law or in practice, in that case one class of measures relating to Paper Currency may be adopted; but if the word ‘Pound,’ the common denomination of value, signifies something more than a mere fiction—if a ‘Pound’ means a quantity of the precious metals of certain weight and certain fineness—if that be the definition of a ‘Pound,’ in that case another class of measures relating to Paper Currency will be requisite. Now, the whole foundation of the proposal I am about to make rests upon the assumption that according to practice, according to law, according to the ancient monetary policy of this country, that which is implied by the word ‘Pound’ is a certain definite quantity of gold with a mark upon it to determine its weight and fineness, and that the engagement to pay a Pound means nothing, and can mean nothing else, than the promise to pay to the holder, when he demands it, that definite quantity of gold. * * * We want only a certain quantity of paper, not indeed fixed and definite in nominal amount, but just such a quantity, and that only, as shall be equivalent in value to the coin it represents.” S *Hansard*, LXXIV. 728, 786.

¹ Wilson, *Capital, Currency and Banking*, p. vi.

² The doctrine that demand for commodities is not demand for labour, is often stated in a form which neglects the necessity for the replacement of capital, by the

us suppose manufacturers in Lancashire paying five millions of pounds in wages; that money is expended in provisions, clothing, &c., by their work-people; and a very large portion in commodities produced abroad; such as the sugar, tea, coffee, a great part of the material of their clothes, &c.; but all these commodities are paid for by a portion of their labour exported in the form of cotton goods. But on the other hand, suppose five millions paid for wages on railways¹; the same portion goes for the consumption of imported commodities, tea, sugar, coffee, materials of clothing, &c., but no portion whatever of their produce is exported, or can be so, to pay for those commodities. Again, with respect to the money paid for iron; the demand for this article increases the quantity made, which is all absorbed in these undertakings, but the largest portion of the price goes to pay wages, which are again to a great extent expended in articles of foreign import, while no equivalent of export is produced against them, so that a large portion of the whole money expended in railways is actually paid for imported commodities, while no equivalent of export is produced. Now this state of things acts in two ways on the commerce of the country, next upon the exchanges, and quickly upon the money market. The extraordinary expenditure at home increases very much the consumption of all commodities, both of foreign import and home production, and raises their price, as is the case at this time. The high price of foreign commodities induces to a large importation; the high price and home demand for domestic produce cause a decreased export. The exchanges are thus turned against us, and we must remit money for the payment of that balance created by the use of those foreign commodities consumed in

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and the
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abroad,

sale of goods which have been actually produced. Unless capital is replaced by sale and thus realised, it cannot be transferred to other directions of employment. The permanent effects of increasing unproductive, at the expense of productive consumption, are frequently dwelt on in economic treatises, but the railway mania illustrates the mischiefs which may temporarily arise, from a sudden increase of productive consumption, and a sudden cessation of the ordinary consumption, whether productive or not.

¹ As wages are paid in coin, not in paper, large permanent works are apt to cause an internal drain on the reserve of the Bank, and thus to entail difficulties in regard to credit. Nicholson, *op. cit.* II. 210.

A.D. 1776 this country by those, no part of whose produce had been
 —1850. exported to represent their consumption. One of the most certain symptoms that can be shown of an undue absorption of capital going forward in internal investments, is when we see our imports increasing more rapidly than our exports, or when the former are increasing and the latter are diminishing¹."

together with a sudden change in the corn trade from a good harvest,

brought about the crisis of 1847.

The phenomena thus described continued to manifest themselves for several years; and their effects were in many ways peculiar; in none more so than in bringing about large payments for customs and excise, so that there were prosperous budgets while trade was generally speaking depressed². The irony of the situation seemed complete, when an abundant harvest induced a crisis, by bringing about a fall in the price of corn. During the preceding years there had been large importations of cereals from the United States, which were partly occasioned by the potato famine in Ireland. The Liverpool merchants were unable, in the autumn of 1847, to obtain the prices they anticipated; several firms collapsed, and more than one of the Liverpool and Manchester banks stopped payment. The position of the Bank of England seemed critical, as the reserve was reduced, during the last fortnight of October, from over £3,000,000 to £1,600,000³. Paper of every sort was so discredited that there was great difficulty in carrying on monetary transactions, and at last the Government yielded to the pressure of mercantile opinion and suspended the Bank Act, so that notes could be issued, while at the same time the rate was raised to 8%. The mere knowledge that reliable paper was forthcoming served to allay the tension, and the Bank did not find it necessary, after all, to issue notes beyond the number permitted by the Act of 1844.

The Bank justifies its position,

The incident did much to discredit the reputation of Peel as a financial authority. The measure, which had been intended to prevent the inflation of prices, had served to check the action of the Bank in intervening to redress the

¹ Wilson, *Capital, Currency and Banking*, p. xvii.

² Northcote, *Twenty Years*, 83.

³ Palgrave, *Dictionary*, s.v. *Crisis*.

mischief and restore confidence. The current diagnosis of the causes of a crisis seemed to be mistaken, as the disaster of 1847 had followed on a period of depression, when the issue of notes had been well below the average. The only speculation that occurred took place in connection with railroad shares, and had no influence on general prices. Subsequent experience has confirmed the view that the importance of bank notes, as an element in commercial transactions, is not so great as had been supposed; but the result of the legislation of the period has been to give much greater freedom for banking. The unique position of the Bank of England now consists chiefly in its responsibility for maintaining a reserve on which the fabric of credit ultimately rests. The granting of permission to found a number of rival institutions has been amply justified. There has been an increasingly wide and varied experience as to the guidance of commercial affairs through the increased facilities of credit which are afforded to the community.

276. These great improvements in the means of transport and in the facilities for trade synchronised with a change in the commercial policy of the realm. The principle of *laissez faire*, which had been adopted with regard to industry, in the beginning of the nineteenth century, was gradually recognised as applicable to the foreign commerce of the country. Under the mercantile system, in its various phases, an effort had been made to regulate the maritime trade, so as to build up the power of the country by the Navigation Laws, to stimulate industry by protective tariffs, and to foster agriculture by means of Corn Laws. Those objects were to some extent incompatible, and the means, which were adopted for pursuing one of these ends, were apt to prove injurious as regards another. The thirty years, which succeeded 1820, saw a complete abandonment of the old method of interfering with the course of trade. The first step in revolutionising English policy was taken by the merchants of London, who presented a petition in 1820¹, which lays down the principles of

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The new
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of com-
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gave rise
to an
agitation
by London
merchants

¹ *Hansard*, N.S. I. 179. The petition led to the appointment of a Committee of the House of Commons, the report of which expresses a general agreement with the views of the merchants. *Ib.* II. 548.

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—1850.
*against the
system of
commercial
regulation*

unrestricted commercial intercourse. They laid stress on the desirability of enquiring into the effects of the existing system and seeing how far it had induced the depression of which they complained. They also noted that the maintenance of protective tariffs of any kind in England provoked retaliatory measures on the part of other nations, and that English trade was seriously affected by restrictions imposed in foreign countries.

*through the
Navigation
Acts.*

There was one small but immediate measure of relief. Since 1714 the importers of tobacco, rice, and other colonial products had had the opportunity of depositing goods under bond in warehouses, without paying customs, and with a view to subsequent exportation. This privilege was extended to all merchants importing goods of any sort¹, in the hope of making England a depôt, not only for colonial produce, but for all kinds of merchandise. The same object was put forward in the following session as a reason for greatly modifying the Navigation Laws. The question as to whether these Acts were beneficial or not had been much debated in the seventeenth century², but in the nineteenth there seemed to be a general consensus of opinion as to their operation. An opponent of any change admitted that the navigation policy in vogue, "is certainly not favourable to the growth of our own foreign commerce, or of that opulence which arises out of it, but while it makes commercial profit a subordinate object, it lays the foundation of naval power³." The advocates of abandoning the system did not disparage it; but argued that it had served its political purpose⁴, and that the shipping of the country might be trusted to flourish so long as commerce prospered. "What," Mr Wallace asked, "was the best and truest support of the navy, but a large, extensive, and flourishing commerce? He did not know a country in the world that had a great navy without an extensive commerce, neither did he know any State that had a flourishing commerce without being at the same time a great naval power⁵." As things stood, the colonial trade was

¹ 1 George IV. c. 7.

² See above, p. 210.

³ Mr Marryat in *Hansard*, N.S. v. 1800.

⁴ Mr Wallace in *Hansard*, N.S. vii. 714.

⁵ Mr Wallace in 3 *Hansard*, vii. 713.

entirely confined to British ships, and must pass directly between the mother-country and the colonies; but countries which had shipping of their own, including not only the European countries but the United States and Brazil, could have commercial intercourse with Britain, either in their own or in British ships. The measure of 1822¹ repealed disabilities which had been imposed out of antagonism to the Dutch², but made no substantial change in our relations with other maritime nations; so far as they were concerned, a far more important step was taken in the following years, when power was given to the Crown to agree by treaty to reciprocal trade with any country on equal terms³, and to refrain from continuing the discriminating duties which were imposed on goods imported in foreign ships⁴. By this means the danger of retaliatory duties being maintained by foreign powers was averted, as all the leading commercial nations entered into agreements for reciprocity in this matter⁵.

Reciprocal trade under treaties was adopted with several maritime powers,

There was also a considerable relaxation in the navigation policy as regards the colonies, for they were allowed to export their produce direct to foreign ports in Europe, instead of being obliged to ship them by way of the mother-country⁶. At the same time, a revised tariff embodied the principle of giving preference to colonial products in the English market⁷, and a serious attempt was made to bring about increased economic co-operation between the different parts of the Empire, while intercommunication was still to be carried on in British Shipping. In 1845 it appeared that this policy was on the whole working satisfactorily, and the Navigation Acts were codified⁸. But grievances arose, and British shippers were accused of making use of their

and preferential tariffs were arranged within the Empire.

¹ 3 George IV. c. 43.

² *Hansard*, N.S. VII. 715.

³ 4 George IV. c. 77.

⁴ Huskisson in *Hansard*, N.S. IX. 793.

⁵ Leone Levi, *op. cit.* 166 n.

⁶ 3 George IV. c. 45.

⁷ Hills, *Colonial Preference in Compatriot Club Lectures*, 286.

⁸ In 1844 a Committee of the House of Commons was appointed on the mercantile marine at the instance of shipowners, who desired protection against colonial shipping. Lindsay, *Merchant Shipping*, III. 70. See Mr Labouchère's speech on the products of the inland States. 3 *Hansard*, xcvi. 997.

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*The special
privileges
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were done
away in
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*but owing to
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monopoly of the colonial trade to charge excessive freights¹. The Irish famine had led to a temporary suspension of the Acts, so far as the importation of cereals was concerned; as Canada had been, for a time, on the same level with the States in regard to shipping facilities, the prospective reimposing of the restrictions brought the agitation to a head². Instead of endeavouring to modify the conditions so as to meet these special circumstances, Labouchère moved for the entire abandonment of the principle of granting any preference to British shipping in ocean trade, and, in spite of effective protests³, the Navigation Acts were repealed⁴.

England's maritime power had grown up under the protecting influence of the Navigation Acts. Long custom appears to have set at rest the doubts which were expressed in the seventeenth century as to the effects of the Acts; and there was grave anxiety as to the maintenance of our naval supremacy under a system of competition. It would appear that when protection was withdrawn the shipowners were somewhat aggrieved⁵, but that a new spirit of enterprise was developed in the trade. Had the old methods of ship-building been retained, however, it would hardly have been possible for England to reassert her supremacy in ocean trading. The advantage which America possessed, in timber and naval stores, would almost certainly have told in her favour; but the aspect of affairs was entirely changed by a new application of engineering industry, and the introduction of iron ship-building. Preliminary experiments had been so far successful, that Messrs Laird of Birkenhead began the

¹ The United States had rapidly recovered from the destruction of their marine, which had taken place during the war of 1812, and were engaged in an eager contest with Great Britain for the command of the carrying trade on the Atlantic (Lindsay, *Merchant Shipping*, iv. 165). The Canadians complained bitterly that the better facilities for shipping, which the States enjoyed, placed the British colonists at a disadvantage in supplying the English market; and the West Indian planters also insisted that the freights charged were higher than would be the case, if competition were allowed between English and foreign shipowners (8 *Hansard*, xviii. 1002).

² *Reports, etc.* 1849, LI. 149.

³ Cunningham, *Rise and Decline of Free Trade*, p. 69.

⁴ 12 and 13 Vict. c. 29.

⁵ Compare Disraeli's speech (Dec. 3, 1853) in introducing his unsuccessful attempt to bring the financial and commercial systems of the country into line. 3 *Hansard*, cxxiii. 889.

building of iron ships for ocean traffic in 1832¹, and the conditions of the competition for marine supremacy were entirely changed. It is impossible to say how much of the increased prosperity which has attended British Shipping is due to a change of policy, and how much to the application of engineering skill in giving increased facilities for ocean traffic, but the expansion of foreign trade in the twenty years which followed the repeal of the Navigation Laws was unprecedented. The total imports and exports of British and foreign produce almost trebled², and English shipping interests shook off for a time their anxiety as to being outdone by their competitors in the United States.

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*English
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277. In spite of all these new openings and increased facilities, it was impossible for trade to make rapid progress in the twenties and thirties, as it was hampered by the burden of taxation which was part of the heritage of the long war. The demands of Government had been gradually worked up till, in 1815, they had attained enormous dimensions. The debt stood at £860,000,000, or about £43 per head of the population; and the revenue, which was required to defray the interest on the debt and the necessary expenses of government, amounted to seventy-four millions and a half; a quarter of the sum had sufficed before the long war. As a necessary result, taxes had been laid upon everything that was taxable and there was no incident of life in which the pressure of taxation was not felt. Sidney Smith's immortal summary can never be surpassed, "Taxes upon every article which enters into the mouth, or covers the back, or is placed under the foot—taxes upon every thing which it is pleasant to see, hear, feel, smell or taste—taxes upon warmth, light, locomotion—taxes on everything on earth, and the waters under the earth—on everything that comes from abroad or is grown at home—taxes on the raw material—taxes on every fresh value that is added to it by the industry of man—taxes on the sauce which pampers a man's appetite, and the drug that restores him to health—on the ermine which decorates the judge, and the rope which hangs the criminal—

*Com-
mercial
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¹ Lindsay, *Merchant Shipping*, iv. 90.

² Bowley, *England's Foreign Trade*, Diagram I.

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on the poor man's salt, and the rich man's spice—on the brass nails of the coffin, and the ribands of the bride—at bed or board, couchant or levant, we must pay:—The school-boy whips his taxed top; the beardless youth manages his taxed horse, with a taxed bridle, on a taxed road; and the dying Englishman pouring his medicine, which has paid seven per cent., into a spoon that has paid fifteen per cent., flings himself back upon his chintz bed, which has paid twenty-two per cent., makes his will on an eight pound stamp, and expires in the arms of an apothecary, who has paid a licence of £100 for the privilege of putting him to death. His whole property is then immediately taxed from two to ten per cent. Besides the probate, large fees are demanded for burying him in the chancel. His virtues are handed down to posterity on taxed marble, and he will then be gathered to his fathers to be taxed no more¹."

¹ Sidney Smith, *Works* (1839), II. 13. *Edinburgh Review*, xxxiii. (Jan. 1820), p. 77. The following summary, extracted from Mr Dowell's work, II. p. 257, gives a convenient view of the nature of the taxation levied in Great Britain in 1815.

I. Direct Taxes.		£
The land tax		1,196,000
The taxes on houses and establishments		6,500,000
Property and income tax		14,600,000
Property insured		918,000
The tax on succession to property		1,297,000
Property sold at auction		284,000
Coaches, posting and hackney cabs		471,608
Tonnage on shipping		171,651
Total		£25,438,259

II. Taxes on Articles of Consumption.		
Eatables: Salt	1,616,671	
Sugar	2,957,408	
Currants, &c.	541,589	
Drinks: Beer, malt, hops	9,596,346	
Wine	1,900,772	
Spirits	6,700,000	
Tea	8,591,350	
Coffee	276,700	22,065,168
Tobacco		2,025,663
Coals, raw materials for manufactures, buildings, ship-building and other trades		6,062,214
Manufactures		4,080,721

III. Stamp Duties.		
Bills and notes		841,000
Receipts		210,000
Other instruments		1,692,000
Total		£67,580,688

In imposing these burdens, successive ministers had been ^{A.D. 1776} unable to keep any definite principles in view. The Govern- ^{—1850.}ment had been living from hand to mouth, and had been forced to have recourse to every possible source of revenue, without having much respect, either to the pressure on the taxpayer, or to the influences of the tariff on economic progress. So soon as the war was over, an attempt was made to render the pressure of taxation less onerous. The income tax seems to have been the most serious burden; public opinion was strongly set against it, and it was repealed in 1816¹. A corresponding boon was given, at the same time, to the masses, as the last additions to the malt tax were also abandoned; though it was necessary to increase the excise on soap, in order to make up the deficiency which these remissions caused. ^{which was reduced}

The next steps in financial reform show a reversion to the point of view which had been adopted by Walpole; as serious efforts were made for modifying our fiscal system so as to give freedom for the development of industry and commerce; Robinson and Huskisson set themselves to reduce and remove the taxes on raw materials. This was done in regard to raw silk; while at the same time the strict monopoly of the home market, which the silk manufactures had hitherto possessed, was withdrawn, and foreign silks might be imported on paying a thirty per cent. duty. Huskisson pursued the same course in regard to other trades; the duties on copper, and zinc, and tin, were reduced to half the former amount; the duty on wool was also halved, and at the same time the very high tariffs on foreign manufactures of different sorts were reduced. Thus in 1824 and 1825 very considerable reductions, as well as simplifications, were made in our tariff, and on principles which relieved the manufacturing interest. ^{with the view of encouraging industry, before}

The various Chancellors of the Exchequer were able to proceed gradually with the remission of taxation, but in 1836 the commercial outlook became most threatening. The crisis of 1837, followed as it was by commercial stagnation, told

¹ The income-tax had been dropped in 1803, but immediately re-imposed. Vocke, *Geschichte der Steuer des Britischen Reichs*, 527.

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Peel under-
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seriously on the revenues; the deficit in 1838 was about a million and a half; in 1839 nearly half a million; in 1840 a million and a half; and in 1841 a million and three quarters; and in 1842 more than two millions¹. Under these circumstances it was necessary that financial affairs should be thoroughly overhauled, and this was done by Sir Robert Peel in his great budget of 1842. In imitation of the policy of Pitt, he determined to make a temporary provision for the expenses of government, until the new changes had had time to operate². With this view, he desired to re-impose an income tax of sevenpence in the pound for a period of five years, so that he might be free to deal in earnest with the reform of the tariff. This was a great task; but it was one for which there had been considerable preparation. The principles on which it should proceed had been worked out in 1830 by Sir Henry Parnell, in his treatise *On Financial Reform*, and a Select Committee of the House of Commons had considered the subject in 1840³. Peel hoped to revive our manufacturing interest, by abolishing or reducing the taxes on raw materials, and half-manufactured goods. For the first two years the expected revival did not occur, but the reduction of import duties continued; in 1845 matters were pressed still further. There was a great simplification of the customs, and the duties on four hundred and thirty articles of an unimportant kind, which produced but little or

¹ Northcote, *Twenty Years*, pp. 6, 12.

² Northcote, pp. 17, 61.

³ This report contains some severe criticism: "The Tariff of the United Kingdom presents neither congruity nor unity of purpose; no general principles seem to have been applied. * * * The Tariff often aims at incompatible ends; the duties are sometimes meant to be both productive of revenue and for protective objects, which are frequently inconsistent with each other; hence they sometimes operate to the complete exclusion of foreign produce, and in so far no revenue can of course be received; and sometimes, when the duty is inordinately high, the amount of revenue becomes in consequence trifling. They do not make the receipt of the revenue the main consideration, but allow that primary object of fiscal regulations to be thwarted by an attempt to protect a great variety of particular interests, at the expense of the revenue, and of the commercial intercourse with other countries. Whilst the Tariff has been made subordinate to many small producing interests at home, by the sacrifice of Revenue in order to support these interests, the same principle of preference is largely applied, by the various discriminatory Duties, to the Produce of our Colonies, by which exclusive advantages are given to the Colonial Interests at the expense of the mother country." *Reports*, 1840, v. 101.

no revenue, were swept away¹. So far as the effects on the revenue of the country were concerned, Peel's anticipations were at length fully justified². Under the reduced rates trade revived, and the income obtained from this branch of taxation did not eventually suffer. From the increased volume of trade, Government was able to levy at low rates an income which was practically equivalent to the sums which had been obtained under the high tariffs which had so injuriously affected our trade. The success which attended this change in policy was admirably summarised by Mr Gladstone in justification of the still greater changes which he carried through³. "I wish, however, Sir, to show more particularly the connection that subsists between commercial reforms, as affecting trade and industry, and the power to pay the high taxes you have imposed. These two subjects are inseparably locked the one in the other. You shall have the demonstration in figures. I again ask you for a moment to attend with me to the experience of two periods. I take the ten years from 1832, the crisis of the Reform Bill, down to 1841, during which our commercial legislation was, upon the whole, stationary; and I take the twelve years from 1842 to 1853, within the circuit of which are comprehended the beneficial changes that Parliament has made. In the ten years from 1832 to 1841 this was the state of things:—You imposed of Customs and Excise duties £2,067,000, and you remitted £3,385,000, exhibiting a balance remitted over and above what you imposed of £1,317,000, or at the rate of no more than £131,000 a year. Now observe the effect on the state

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trade
revived

¹ Northcote, *Twenty Years*, p. 66. This wholesale reduction of tariffs, though welcomed by the manufacturers, was not universally approved. Those who relied on commercial treaties as means of opening or of securing foreign markets were somewhat alarmed, as we removed one by one charges which might have formed the basis of negotiation with other countries.

² He had said: "I have a firm confidence, that such is the buoyancy of the consumptive powers of this country, that we may hope ultimately to realize increased revenue from diminished taxation on articles of consumption." 8 *Hansard*, LXL 487.

³ A principle which cannot be traced in Peel's financial measures underlay those of Mr Gladstone, who was more completely swayed by Cobden. (See p. 840 n. 1, below.) It was Gladstone's effort to relieve the masses of the people as consumers, and the mercantile and manufacturing capitalists. In pursuing this object he and his followers have deliberately granted this relief at the expense of the landed interest, by the extension of the succession duties in 1853, and the death duties in 1894.

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and
revenue
expanded.

of the revenue. During these ten years the Customs and Excise increased by £1,707,000, or, at the rate of £170,000 a year; while the increase of the export trade was £15,156,000, or, at the annual rate of £1,515,000. Let us next take the twelve years from 1842 to 1853. You remitted during that period of Customs and Excise £13,238,000, and imposed £1,029,000, presenting a balance remitted of £12,209,000, or, an annual average of £1,017,000. What was the effect on revenue? The Customs and Excise increased £2,656,000, or, at an annual rate of £221,000. When you remitted practically nothing, your Customs revenue, in consequence of the increase of the population, grew at the rate of £170,000 per annum; and when you remitted £1,017,000 a year, your Customs and Excise revenue grew faster than when you remitted nothing, or next to nothing at all. I ask, is not this a conclusive proof that it is the relaxation and reform of your commercial system which has given to the country the disposition to pay taxes along with the power also which it now possesses to support them? The foreign trade of the country, during the same period, instead of growing at the rate of £1,515,000 a year, grew at the rate of £4,304,000." The effect of Peel's measures was to demonstrate how much the trade and industry of the country might be encouraged by the re-adjustment of fiscal burdens, but it was none the less a complete realisation of the principle of *laissez faire* in fiscal arrangements. The taxation of the country was arranged simply and solely with reference to revenue; all attempts to foster an element in national economic life at the expense of others were abandoned.

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This change could not have been carried through successfully, but for Peel's care to provide a temporary source of revenue, in order to allow time for trade to respond to the stimulus of reduced tariffs. The particular expedient he adopted, of imposing an income-tax for a time, proved to the public what large supplies might be obtained from this source. Once again its fruitfulness was remarkable. A tax of this type¹ had afforded the means by which Pitt maintained the struggle with France, under unexampled conditions of discouragement in 1798, and it served as the source on which

¹ Vocke, *Geschichte der Steuer*, p. 523.

Peel relied in carrying through his reconstruction of our fiscal system in the interest of trade. The tax thus introduced, as a temporary expedient, proved so successful that it has since become part of the ordinary revenue system of the country. The budget of 1845 was unexpectedly epoch-making, since it marks the beginning of a new development of direct taxation.

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an income-tax,

This result was not attained without a struggle. Sir Edward Bulwer Lytton was the mouthpiece of those who believed that this powerful fiscal instrument should be reserved for use on special emergencies¹; but it has been too convenient to be lightly sacrificed, and it cannot be regarded as inequitable. Indeed, it may be said that by the imposition of this tax the means were at last available for redressing the injustice of which the landed interest had complained for a couple of centuries², and for forcing the moneyed men to pay on the income derived from accumulated wealth. It is not clear that Peel would have had any scruple in retaining the income-tax as a permanent thing, or that Pitt³ would have regarded it as unfair; but there was much room for question as to whether it was expedient in the new conditions of English life. The basis of general prosperity had shifted from the landed to the trading interest; and it was possible to argue that the well-being of the public was advanced by fostering the enterprise of the country in every way. Mr Gladstone was persistent in his opinion as to the demerits of this tax, and attempted to do away with it in 1853, in 1863, and again in 1874⁴. He believed that the tax was objectionable, in so far as it fell upon the active business energy of the day; he desired to give relief "to intelligence and skill as compared with property." But in this, as in other financial matters, practical convenience has had an overwhelming influence. The country was uneasy about the probity of the funding system, in the early eighteenth century, but no statesman, when really pressed, could dispense with it, and the income-tax when re-introduced could not be discarded; it had come to stay.

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278. The application of *laissez faire* principles to our commercial system aroused comparatively little opposition, as

¹ 3 Hansard, cxxvi. p. 455.

² See above, p. 425.

³ *Parl. Hist.* xxxiii. 1086.

⁴ S. Buxton, *Mr Gladstone*, pp. 120, 127, 129.

⁵ 3 Hansard, cxxv. 1422.

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The economic and political antagonism was roused against the Corn Laws

regards the modifying of the Navigation Laws and the readjustment of the tariff. It was a very different matter when an attack was made on the legislation which interfered with free trade in corn, and afforded special protection to the landed interest. The controversy thus aroused was not merely, or even chiefly, of economic interest; its far-reaching political importance was foreseen from the first¹. The formation of the Anti-Corn-Law League in 1839², with the agitation which was organised by Cobden and Bright, was a serious attempt to educate the minds of the citizens of a great country on a question of public interest. The force of Radicalism, as a power in the State, was increased immensely; it had already associated itself with the interest of working men by the attitude which some of its leaders had taken in regard to the Combination Laws, and the progress of Trade Unions; and now it rallied the masses, who required bread to eat, under its banner. The days, when the Tory could pose as the friend of the people in their contest with ruthless employers, were over, and the Conservatives, who had prided themselves on their patriotism, were astonished and indignant to find themselves denounced as selfish drones in the community.

*as recast
in 1815,*

The contest in regard to the Corn Laws was of course determined by the new character which they had assumed in 1815. It was then that a measure was definitely passed to protect the landlords, and to enable them to maintain the burdens which had fallen upon them, or which they had too readily undertaken³. From that time onwards, it was possible to represent the Corn Laws as a merely class measure, and to treat the whole question, as the advocates of the League habitually did, as that of a tax imposed upon the community

¹ Cobden appears to have been chiefly attracted to the subject at first, because it offered a field for political agitation. "We must choose," he wrote in 1838, "between the party which governs upon an exclusive or monopoly principle, and the people who seek, though blindly perhaps, the good of the vast majority. If they be in error, we must try to put them right, if rash to moderate, but never never talk of giving up the ship....I think the scattered elements may yet be rallied round the question of the corn laws. It appears to me that a moral, and even a religious spirit may be infused into that topic, and if agitated in the same manner that the question of slavery has been, it will be irresistible." Morley, *Life of Cobden*, I. 126.

² It was enlarged in this year from an Anti-Corn-Law Association which had been formed in 1838. Ashton, *Recollections of R. Cobden and the Anti-Corn-Law League*, 23.

³ 55 Geo. III. c. 26.

in the sole interest of a special class. Who were the land-lords, and what had they done, that they should be thus favoured? And when the question was put in this way, it was obvious that there could be but one answer. An arrangement, which pressed heavily upon the community, must be allowed to drop; even though it did enable the class on whom a large share of national, and the chief burden of local taxation ultimately fell, to meet the demands of the State. It was as a class question that the matter was discussed, and decided; and the sense of bitterness it roused was not allayed when the repeal was effected. Some of the legislation of the latter half of the nineteenth century seems to have been affected by an unworthy desire to retaliate on the landed proprietors for the special indulgence they had secured for a generation¹.

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—1850.

*since they
benefited a
particular
class*

The case against the Corn Laws was so strong that, when once the issue was fully raised, repeal was inevitable. On the one hand there was all the evidence of the Commission on hand-loom weavers, which showed that the limitation of the food-supply was the greatest grievance to the operative classes; owing to the large proportion of their earnings which was spent in food, their power of purchasing clothes was curtailed, and the home demand for manufactures was checked. The Corn Laws also interfered indirectly with our foreign commerce; the high tariff on imported corn introduced an obstacle to the export of our manufactures. There were many of our customers who had not the means of paying for our goods; the Baltic ports and the United States were regions from which food might have been obtained, but for

*to the dis-
advantage
of the
manu-
facturing
interest.*

¹ Mr Gladstone's Budget of 1853 was regarded at the time as an intentional blow at the landed interest as such. Disraeli said: "I have shown you that in dealing with your indirect taxation you have commenced a system and you have laid down a principle which must immensely aggravate the national taxation upon the British producer. I have shown you in the second place that while you are about to pursue that unjust and injurious policy, * * * while you are aggravating the pressure of indirect taxation upon the British producer, you are inflicting upon the cultivator of the soil a direct tax in the shape of an income tax, and upon the possessor of the soil a direct tax in the shape of a tax upon successions. * * * I will not ask you was it politic, was it wise, or was it generous to attack the land, both indirectly and directly, after such an immense revolution had taken place in those laws which regulated the importation of foreign produce. * * * I will remind you that the Minister who has conceived this Budget * * * is the very Minister who has come forward and in his place in parliament talked of the vast load of local taxation to which real property is exposed." *3 Hansard*, CXXVI. 985.

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—1850.

*The Irish
famine
rendered
suspension
inevitable,*

*and the
repeal
followed
in 1846.*

this there was, owing to the Corn Laws, no market in England; suitable return cargoes could not be readily secured, and commerce languished in consequence. The controversy would undoubtedly have been protracted for a longer period, if it had not been for the ghastly picture presented, in Ireland, of the horrors which might arise from an insufficient food-supply. In 1845 the harvest was a failure, and prices rose rapidly; Sir Robert Peel was inclined to open the ports, and allow, for a time at least, the admission of foreign corn, on a merely nominal duty. But there are some measures which, if adopted once, are adopted permanently. Sir James Graham¹ and other members of the Cabinet saw that the suspension of the Corn Laws would in itself be an admission that the system aggravated the evils of scarcity, and that, if this point was conceded, the whole system would have to go. For this the Cabinet were not prepared; and Sir Robert Peel placed his resignation in the hands of the Queen. As no other Government could be formed, however, he returned into office on December 20th, 1845, with the full determination of carrying through the repeal of the Corn Laws. The subject was debated at great length in January and February 1846, and the Government proposals were carried by a majority of ninety-seven². There was to be a temporary protection, by a sliding scale, which levied four shillings when the price of corn was fifty shillings a quarter, and instead of this comparatively light duty, a merely nominal tax of one shilling a quarter was to be levied after February 1st, 1849. Even this nominal duty has been more recently removed.

*The policy
of fostering
a home-
grown food-
supply*

In the hubbub of conflicting interests the fundamental issue, which was involved in this change of policy, was completely obscured. The measures, which gave encouragement to tillage, had not been originally introduced with any view of benefiting the landlord class; the object of earlier measures, and of the great Corn Law of 1689, had been to render a larger and more regular supply of food available for the community. If the Corn Laws were defensible, they were defensible as a benefit to the nation as a whole; the underlying aim of the original system had been to call forth sufficient sustenance for the English population. In this

¹ Dowell, II. 829.

² 9 and 10 Vict. c. 22.

they had succeeded till 1773; but the history of English agriculture, since the Peace, appeared to show that they were succeeding no longer. In so far as the British agriculturist, with protection, failed to supply the British nation regularly, with sufficient food, on terms that were not exorbitant,—in so far protection was a failure; and according to this, the deeper test, which was but little argued at the time, the Corn Laws were completely condemned; they had failed to provide the nation with a sufficient food-supply of its own growth. A.D. 1776
—1850.
was discarded as a failure,

In ceasing to rely for our food-supply on our own soil, and in deliberately looking to trade as the means whereby we might procure corn, we were throwing aside the last elements of the policy which had so long dominated in the counsels of the nation, and were exposing our very existence to a serious danger¹. A home-grown food-supply was a chief element of power²; since no enemy, however strong his navy might be, could succeed in cutting off our supplies. It gave the opportunity for maintaining a large population, accustomed to out-door exercise and in good condition for fighting; but these elements of power were now forgotten, in the desire to have food, in as large quantities, and at as low rates, as possible. We reverted from the pursuit of power in our economic policy to the pursuit of plenty³. This object was put forward not merely with regard to the luxuries of the rich, as had been the case under Edward III., but was forced upon us by the requirements of the labourer and the artisan.

The nation, in abandoning the traditional policy of relying for its food-supply on the corn grown within its boundaries, deliberately relegated the landed interest to a subordinate position in the economy of the State. Under the fostering care of the State, the landlords had enjoyed a great deal of *and the landed interest was relegated to a secondary place in the state,*

¹ See above, p. 684, on the corn supply in the Napoleonic Wars.

² Compare Strafford's effort to keep Ireland politically dependent by making her economically dependent for clothing, and for salt to preserve meat, her staple product. *Letters*, I. 198. See above, p. 368.

³ See above, Vol. I. p. 416. The triumph of this policy was commemorated by the Anti-Corn-Law League with a medal, which is figured on the title-page, by the kind permission of the authorities of the British Museum, from the example in their possession.

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—1850.

*but the
work of im-
provement
was taken
up by sub-
stantial
tenants*

prosperity, and they had been encouraged to do their best. There had been steady progress during the eighteenth century, and this continued in the nineteenth. The chief new departure¹ which occurred was the systematic introduction of thorough drainage. This practice had been locally pursued in Essex since the seventeenth century; but it was made the subject of experiments by Mr Smith of Deanston. By taking the water off the land, he improved the quality of the soil, and greatly increased the number of days when it was available for working. His experiments were first published in 1834; but so rapidly did they take hold of the public mind that, in 1846, Parliament consented to grant loans to landlords to carry out these improvements².

*before
the full
effects of
foreign
competition
were felt.*

It was no longer the case that improvement was introduced exclusively, or even chiefly, by the landlord class; a new class of tenant farmers had arisen³ who were not only possessed of capital, but capable of employing it in introducing scientific methods of farming. They were ready to have recourse to manures of many kinds, in order to restore the fertility of land from which large crops were frequently extorted, and they were able to make the business pay, by combining corn-growing with the raising of stock. The full effects of foreign competition were not felt immediately, as the Russian war cut off the Baltic supply for a time, and the American Civil War checked the growth of the grain trade from the United States. Since 1874, the prices of corn and of stock have been alike affected by greatly increased importation from abroad; the free-trade policy at length resulted in a state of affairs in which the farmer could no longer pay his way, and a fall in rents became inevitable. The depression of the landed interest has been so serious, that proprietors have been without the means of attempting to introduce improvements, while there is less reason than formerly to

¹ There was also a great increase in knowledge of methods of manuring the land, since agricultural chemistry was coming to be pursued as a branch of science and not treated as mere rule of thumb. It was found that there were valuable elements in all sorts of refuse, as for example in bones, while the better means of communication rendered it more possible for farmers to avail themselves of fertilisers which were not native to their own district. Prothero, *Pioneers*, 99.

² Prothero, *op. cit.* 97-98.

³ *Ib.* 111.

count on an adequate return, in rent, for money sunk in an estate. The stimulus to enterprise in the management of land, which was afforded by the prospect of gain, has been withdrawn, with the result that the gentry are more apt to devote themselves to remunerative forms of sport, and less inclined, than was once the case, to be pioneers in the work of agricultural improvement.

279. The changes, which tended to depress the landed interests in England, must necessarily have told with even greater effect upon the fortunes of such a purely agricultural country as Ireland. There were, moreover, special circumstances which aggravated the evils in the sister island, while there was no compensating advantage. Ireland had suffered from English jealousy, and her lot remained pitiable when she entered on an ill-assorted partnership. Her economic development had been subordinated for generations to that of England, and she had no great increase of prosperity when the two countries were united in 1800. It is very difficult to estimate the precise economic effects of that Act, though the rapid increase of population renders it probable that the wealth was larger than before. In some respects there was improvement; the special legislation, which had been designed to promote English interests, had been abandoned; but, on the other hand, Irish manufacturers did not enjoy the extravagant encouragements which they had received in 1784. Her lot was cast in with that of England, and the stream of her economic history has been mingled with that of the larger country, but the results worked out in different ways. Just because the industrial resources of Ireland were so little developed, she was able to obtain only a comparatively small share in any of the prosperity which English merchants and manufacturers enjoyed; on the other hand, she suffered with the agricultural interests in England, but much more severely¹.

The chief gain which accrued to England, during the Revolutionary and Napoleonic Wars, was the monopoly which she practically secured of the shipping of the world. The United States was a real competitor; but England obtained a

¹ The subject is discussed in detail by Miss Murray, *History of Commercial and Financial Relations between England and Ireland*, 342.

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The depression of the landed interest was specially noticeable

in Ireland after the Union,

for she could not take advantage of the new commercial prosperity

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—1860.

position which she had never attained before. Ireland, however, had little or no mercantile marine; the profits of the carrying trade, and of the trade with distant countries, were not for her. What she could do was to provide for the victualling of vessels, as well as to furnish supplies of sail-cloth; the Irish salt beef, which ships obtained at Cork, had a high reputation, but a certain new activity in these trades was almost the only advantage which accrued to Ireland from the great commercial monopoly by which England gained so much.

*by obtain-
ing markets
for manu-
factures,*

So far as articles of export were concerned too, she was not able to supply the goods which were so much sought for abroad, and by means of which England was able to force unwilling nations to purchase her wares. Cloth was needed for the French and Russian armies, and this cloth was procured from English looms; but the Irish woollen trade was unimportant¹. The cotton manufacture, which developed so enormously in England during the war, had been scarcely introduced into Ireland, though much had been spent on it in 1784 and succeeding years. Linen, the one department in which Ireland excelled, was hardly a fabric for which foreign countries looked to England at all². Hardware, in which England did such a large business, had ceased to be an Irish manufacture, and the sister kingdom was practically debarred from all the advantages which came to England during the time of war-prices and commercial monopoly. On the other hand, Irish industry felt the disadvantages to which English manufacturers were exposed. A silk manufacture had been galvanised into existence by encouragements similar to those which the Spitalfields Act³ gave in England; but the weavers were of course dependant on material brought from abroad;

¹ So long as water-power was the chief agent employed in manufacturing, Ireland offered, in some districts, great attractions to capital, and the woollen trade obtained a measure of protection. There was however even a more decided objection among Irish than among English workmen to the introduction of machinery, and the progress was not very rapid; with the more general adoption of steam-power, the advantage which Ireland had possessed was neutralised. *Martin, Ireland before and after the Union*, 70, 72, 73.

² Both the quantities manufactured, and the quality of the goods produced, serve to show that the trade was steadily advancing. *Martin, op. cit.* 75.

³ See above, pp. 619, 795.

and the Berlin Decrees caused a silk famine in 1809, which reduced them to dire distress¹. In so far as the war-prices gave a stimulus to agriculture, the Peace must have brought a reaction similar to that which, despite the action of the Corn Law of 1815, was so seriously felt in England. A.D. 1776
—1850.

While Ireland had shared but little in the prosperity of war times, she undoubtedly suffered from the succeeding depression. The conditions of life were exactly those which made her feel the brunt of the trouble most severely. In England, where there was large capital, the distress did to some extent act as a stimulant to call out more skill and enterprise; in Ireland, where farming had not yet become a trade² but was an occupation by which men procured subsistence, the slightest signs of increased prosperity acted directly in encouraging an increase of population, while the pressure of distress could not force on any improvement; it only rendered labourers more miserable than before. The wretchedness in England was so great, that there was little inclination to attend to the condition of the Irish; though in 1822, and in 1831, when the potato crop was short, some public liberality was shown on their behalf. These years, however, were but a premonitory symptom of the frightful disaster of 1845 and 1846, when the state of Ireland was forced upon public attention, by the outbreak of the potato disease; the late crop of potatoes, on which the people depended for food, was entirely lost. As they had obtained fair prices for other produce, they might have got through the disaster with comparatively little help, and the Government contented itself with purchasing £100,000 worth of Indian corn, and forming depôts where relief was administered. In the following year, however, the destruction caused by the disease was complete; though both public and private charity were largely exerted, the shameful admission remains that very large numbers died through starvation, or from those fevers which are directly due to insufficient nourishment. Public works were opened, and there was very wide-spread sympathy shown to the Irish sufferers from all parts of the world. *and sub-
sistence
farming
was main-
tained*
*with
disastrous
results in
the famine.*

¹ Martin, 87.

² On this change in England, see pp. 109, 545.

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—1860.

*The repeal
of the Corn
Laws
deprived
Ireland of
an advan-
tage in the
English
market,*

The Irish famine was the direct occasion of breaking down the policy of agricultural protection; the importation of food-stuffs was temporarily encouraged for the sake of the starving peasantry; but the complete abandonment of the Corn Laws proved to be a very serious blow to the more energetic elements in the population. The Irish farmer and stock raiser had had an advantage, since the Union, over the agriculturists of other regions, in supplying the English market; but under the system of Free Trade this advantage was lost; the prices of produce fell rapidly. Numbers of the peasantry were forced to migrate; on numerous estates, which had been burdened with obligations, the rents fell so much that their nominal owners were hopelessly impoverished.

*and the
State has
neither
succeeded
in attract-
ing capital-
ist farmers*

It is idle to speculate as to the remedy which might have been most wisely brought to bear on this disastrous state of affairs; but the direct application of the results of English experience to the Irish problem seems to have done more harm than good. In 1860, it seemed that agriculture might be made to flourish if all restrictions were removed, so as to allow the ready transfer of land; if it passed under the control of wealthy men, who could apply capital to develop, and introduce, improved methods of tillage, there appeared to be good reason to believe that Irish agriculture would recover, as English had already done, from the first effects of exposure to free competition. But the social conditions and traditions of Ireland rendered it exceedingly difficult to carry through an effective reform of the methods of agricultural production; the habits of the peasantry were unfavourable to improvement, either by spirited proprietors, or enterprising tenants. As the proprietary changed, the land passed into the hands of owners who abandoned serious attempts to initiate progress, and had less scruple in accepting rack rents than the easy-going men they had displaced. The Irish cottiers had neither the independence, nor the foresight, which were necessary¹ to make the system of free competition tolerable. After some experience of *laissez faire*, in conditions to which it was inappropriate, there was a sudden reversion to a system which seemed altogether an anachronism.

¹ Nicholson, *Principles of Political Economy*, III. 167.

The authoritative fixing of rents was adopted by the Govern-
 ment as the only means of protecting the peasantry from the
 evils of reckless competition. The system of natural liberty
 had been tried, and in one department of life after another
 it had been found necessary to introduce a corrective. Ad-
 ministrative organs had been instituted in England for
 protecting children from over-work, and for controlling the
 conditions of labour in factories and mines, as well as for
 seeing to sanitary welfare. In Ireland, however, the swing
 of the pendulum has gone much farther, inasmuch as it has
 led to judicial interference in the terms of the bargain
 between landlord and tenant. Still, startling as it appears,
 this case does not stand alone; the State had already under-
 taken to protect the public against monopolies in transport or
 lighting by fixing a maximum of railway rates and of gas
 dividends; the justification for the fixing of rents lay in the
 belief that in the conditions of life in Ireland, and in the
 presence of the land hunger they engendered, there was
 need to protect the peasantry against the owners of the
 soil.

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nor in
 developing
 a peasant
 proprie-
 tary.

There is a curious monotony in the story of English
 influence on the agricultural interest in Ireland. Racial
 animosity, religious differences, and political contests were
 always at work in one form or another; the land never had
 such rest that a sense of security could grow up, or that the
 country could become an attractive field for the investment of
 capital by moneyed men, either as proprietors or tenants. It
 was still more unfortunate that, from its near neighbourhood,
 Ireland was destined to be affected by all that was done for
 the benefit of England; the Corn Bounty Act depressed her
 tillage, in the interest of English producers. While industrial
 protection was in vogue in England, little stimulus was given
 to real improvement of any kind in Ireland, but her whole
 system suffered a severe blow when protection was with-
 drawn, and the interests of the agricultural community were
 subordinated to the welfare of a manufacturing population.
 The régime of ill-assorted companionship has been almost as
 baneful as the period of jealous repression and Protestant
 ascendancy.

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*The
economic
principles
of laissez
faire in
commerce,*

*combined
with a
belief that
the colonies
were an
expense to
the mother
country,*

*and that
they would
gain by
independ-
ence,*

280. The policy of non-interference has never been applied consistently to Ireland. From her geographical position she necessarily stood in close relations to England, and it was not deemed possible for the predominant partner to let her go her own way either economically or politically. The case of the transoceanic Colonies was altogether different; abundant reason could be alleged, which commended itself to the statesmen of the early part of the nineteenth century, for letting them severely alone. The opinion was freely mooted that the founding of colonies had been in itself a mistake, since the country got little or nothing out of them, either in the way of wealth or prestige, and was only burdened with cost in administering and protecting them. Sir John Sinclair's utterances are so far typical of educated opinion on the public questions of the day that it is worth while to quote the views he has put on record. He pointed out that the North American Colonies had cost us £40,000,000, and the wars in which we had been involved in consequence of possessing them amounted to £240,000,000 more. "It is the more necessary," he adds, "to bring forward inquiries into this branch of our expenditure, as the rage for colonisation has not yet been driven from the councils of this country. We have fortunately lost New England, but a New Wales has since started up. How many millions it may cost may be the subject of the calculations of succeeding financiers, unless by the exertions of some able statesman that source of future waste and extravagance is prevented¹."

The men in this period who considered not only British interests in the colonies, but British responsibilities as well, had little opportunity of giving effect to their views². The Colonial department maintained the traditions of bureaucratic administration, as it had been carried on in the eighteenth century³. There was no intelligent discussion in Parliament

¹ *History of the Public Revenue of the British Empire* (1790), II. 87.

² Cunningham, *Wisdom of the Wise*, 43.

³ Mr Buller's scathing description of the system is all the more severe, as he was careful to avoid any attack upon individuals personally. "Thus, from the general indifference of Parliament on colonial questions, it exercises, in fact, hardly the slightest efficient control over the administration or the making of laws for the colonies. In nine cases out of ten it merely registers the edicts of

of colonial affairs, and Radical sentiment was roused, both by the inefficiency of the system, and by pretensions to authority over distant and unrepresented communities. The example

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the Colonial Office in Downing-street. It is there, then, that nearly the whole public opinion which influences the conduct of affairs in the colonies really exists. It is there that the supremacy of the mother-country really resides: and when we speak of that supremacy, and of the responsibility of the colony to the mother-country, you may to all practical intents consider as the mother-country—the possessor of this supremacy—the centre of this responsibility—the occupants of the large house that forms the end of that *cul-de-sac* so well known by the name of Downing-street. However colonists or others may talk of the Crown, the Parliament, and the public—of the honour of the first, the wisdom of the second, or the enlightened opinion of the last—nor Queen, nor Lords, nor Commons, nor the great public itself, exercise any power, or will, or thought on the greater part of colonial matters: and the appeal to the mother-country is, in fact, an appeal to 'the Office.'

"But this does not sufficiently concentrate the mother-country. It may, indeed, at first sight, be supposed that the power of 'the Office' must be wielded by its head: that in him at any rate we have generally one of the most eminent of our public men, whose views on the various matters which come under his cognizance are shared by the Cabinet of which he is a member. We may fancy, therefore, that here, at least, concentrated in a somewhat despotic, but at any rate in a very responsible and dignified form, we have the real governing power of the colonies, under the system which boasts of making their governments responsible to the mother-country. But this is a very erroneous supposition. This great officer holds the most constantly shifting position on the shifting scene of official life. Since April, 1827, ten different Secretaries of State have held the seals of the colonial department. Each was brought into that office from business of a perfectly different nature, and probably with hardly any experience in colonial affairs. The new minister is at once called on to enter on the consideration of questions of the greatest magnitude, and at the same time of some hundreds of questions of mere detail, of no public interest, of unintelligible technicality, involving local considerations with which he is wholly unacquainted, but at the same time requiring decision, and decision at which it is not possible to arrive without considerable labour. Perplexed with the vast variety of subjects thus presented to him—alike appalled by the important and unimportant matters forced on his attention—every Secretary of State is obliged at the outset to rely on the aid of some better informed member of his office. His Parliamentary Under-Secretary is generally as new to the business as himself: and even if they had not been brought in together, the tenure of office by the Under-Secretary having on the average been quite as short as that of the Secretary of State, he has never during the period of his official career obtained sufficient information to make him independent of the aid on which he must have been thrown at the outset. Thus we find both these marked and responsible functionaries dependent on the advice or guidance of another; and that other person must of course be one of the permanent members of the office. We do not pretend to say which of these persons it is, that in fact directs the colonial policy of Britain. It may be, as a great many persons think, the permanent Under-Secretary; it may be the chief, it may be some very subordinate clerk; it may be one of them that has most influence at one time, and another at another; it may be this gentleman as to one, and that as to another question or set of questions: for here we get

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rendered
the English
public
indifferent

of the United States, and the rapidity of their growth, offered a striking contrast to the slow development of Canada¹, the West Indies, the Cape, and Australia. The *laissez faire*

beyond the region of real responsibility, and are involved in the clouds of official mystery. That mother-country which has been narrowed from the British isles into the Parliament, from the Parliament into the executive government, from the executive government into the Colonial Office, is not to be sought in the apartments of the Secretary of State, or his Parliamentary Under-Secretary. Where you are to look for it it is impossible to say. In some back room—whether in the attic, or in what story we know not—you will find all the mother-country which really exercises supremacy, and really maintains connexion with the vast and widely-scattered colonies of Britain. We know not the name, the history, or the functions of the individual, into the narrow limits of whose person we find the mother-country shrunk. * * * The system of intrusting absolute power (for such it is), to one wholly irresponsible is obviously most faulty. * * * It has all the faults of an essentially arbitrary government, in the hands of persons who have little personal interest in the welfare of those over whom they rule—who reside at a distance from them—who never have ocular experience of their condition—who are obliged to trust to second-hand and one-sided information—and who are exposed to the operation of all those sinister influences which prevail wherever publicity and freedom are not established. In intelligence, activity, and regard for the public interests, the permanent functionaries of 'the Office' may be superior to the temporary head that the vicissitudes of party politics give them; but they must necessarily be inferior to those persons in the colony, in whose hands the adoption of the true practice of responsible government would rest the management of local affairs." Mr Buller's *Responsible Government for the Colonies*, quoted by Wakefield, *Art of Colonisation*, 283—288.

¹ Lord Durham's Report draws a vivid picture of the contrast, which he ascribes principally to the different systems adopted in the disposal of public land. "On the American side all is activity and bustle. The forest has been widely cleared; every year numerous settlements are formed, and thousands of farms are created out of the waste; the country is intersected by common roads; canals and railroads are finished, or in the course of formation; the ways of communication and transport are crowded with people, and enlivened by numerous carriages and large steam-boats. The observer is surprised at the number of harbours on the lakes, and the number of vessels they contain; while bridges, artificial landing-places, and commodious wharves are formed in all directions as soon as required. Good houses, warehouses, mills, inns, villages, towns, and even great cities, are almost seen to spring up out of the desert. Every village has its schoolhouse and place of public worship. Every town has many of both, with its township buildings, its book-stores, and probably one or two banks and newspapers; and the cities, with their fine churches, their great hotels, their exchanges, court-houses and municipal halls, of stone or marble, so new and fresh as to mark the recent existence of the forest where they now stand, would be admired in any part of the Old World. On the British side of the line, with the exception of a few favoured spots, where some approach to American prosperity is apparent, all seems waste and desolate. There is but one railroad in all British America, and that, running between the St Lawrence and Lake Champlain, is only 15 miles long. The ancient city of Montreal, which is naturally the commercial capital of the Canadas, will not bear the least comparison in any respect with Buffalo, which is a creation of yesterday. But it is not in the difference between the

school argued that it would be wise to cut the colonies adrift A.D. 1776
—1850. and leave them to work out their own destiny.

This attitude of lofty indifference in regard to Colonial to the retention of the Colonies; possessions was sufficiently irritating to the Englishmen who had made their homes in distant parts of the Empire; but occasional interference proved even more galling than habitual while the colonists were irritated by occasional interference, neglect. In one way or another dominant British sentiments,—philanthropic and economic,—made themselves felt, and influenced the Colonial authorities to give effect to measures which were deeply resented by the men whose interests were immediately affected, at the Cape, in the West Indies, and Canada. The strong objection which was officially taken to any extension of our Colonial responsibilities was re-enforced by a desire to mete out fair treatment to the on behalf of native races in South Africa, native races. To the Home Government, it seemed important to refrain from encroaching upon them in any way¹. The invasions of the Kaffirs, who were immigrating southwards, exposed Cape Colony to great danger, and an attempt was made to raise a barrier by planting the neighbourhood of Port Elizabeth with English and Scotch settlers, and for a time to maintain a belt of unoccupied area. As the white population in South Africa increased troubles ensued, for which English public opinion, stirred by the representations of a Congregational missionary², was inclined to lay the entire blame upon the Dutch element in the population. According to the theory of the Home Government the Kaffirs were regarded as forming a civilised state, which could be relied on

larger towns on the two sides that we shall find the best evidence of our own inferiority. That painful but undeniable truth is most manifest in the country districts through which the line of national separation passes for 1,000 miles. There, on the side of both the Canadas, and also of New Brunswick and Nova Scotia, a widely scattered population, poor, and apparently unenterprising, though hardy and industrious, separated from each other by tracts of intervening forest, without towns and markets, almost without roads, living in mean houses, drawing little more than a rude subsistence from ill-cultivated land, and seemingly incapable of improving their condition, present the most instructive contrast to their enterprising and thriving neighbours on the American side." *Reports*, 1839, xvii. 75.

¹ This had been the American policy recommended by the Home Government immediately after the conquest of Canada from the French. Attempts were made to prevent the plantation of the plains west of the Alleghanies.

² Rev. J. Philip, whose *Researches in South Africa* gave a very one-sided representation of affairs.

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—1860.

to carry out treaty obligations, and to maintain an efficient frontier police. But this system did not work in practice; the homes and farms of British subjects were constantly raided; the fact that no punishment followed was interpreted by the natives as a sign of mere weakness, and the life of the farmers became intolerable. In 1836 the great emigration of the Dutch began towards regions beyond the Orange River, where they hoped to be able to carry out their own system of dealing with frontier troubles by organised commandos. The inability of the Home Government to grasp the actual difficulties of the situation and its susceptibility to the opinions of enthusiasts and doctrinaires, bore fruit in vacillation and mismanagement, and sowed the seeds of bitter hatred between two races that might easily have amalgamated at the Cape as completely as they have done in New York.

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the West
Indies.*

The newly aroused sentiment, as to the duties of Englishmen towards African races, gave rise to difficulties, not only in the Dark Continent itself, but in the West India islands, where the planters had been so long dependent on imported labour. The humanitarian movement, for putting down the traffic in slaves, had been aroused by the misery it caused in Africa and in the Middle Passage; but the logical result was an agitation against the existence of slavery in British possessions, and this was headed by Lord Brougham. The British Government paid a sum of twenty millions in compensation to the planters when slavery was abolished in 1834. This was of course not a full compensation, as the value of West Indian slaves was said to be forty-three millions¹. It might of course appear that the command which the planters had over a resident labouring population would enable them to carry on their operations without a full compensation for the money they had invested in stocking their estates with negroes. But as a matter of fact, and when viewed retrospectively, it is difficult to say that any compensation would have made up to the planters for losing control over their hands. There undoubtedly are populations who

¹ The compensation appears to have varied from a quarter to a half of the sworn value of slaves of different classes and ages. *Accounts*, 1837-8, XLVIII. 680.

would be stimulated to greater exertions by the sense of freedom; but the West Indian negro, at all events, preferred to be idle and poor¹, rather than to exert himself even for comparatively high wages. The whole management of the estates was disorganised; and though the planters strove vigorously to manage their business on new lines, the effort was very severe and many of them were ruined in the attempt. When the hope of continued protection was withdrawn, and they were exposed to the competition² of the slave-grown sugar on neighbouring islands, their condition became desperate. Slave labour was less expensive than free labour in this particular case, and the sugar growing in Cuba and Brazil received an immense stimulus; as a consequence the traffic from Africa, which we had done so much to put down, revived anew and eluded the efforts we made to check it. In more recent times the islands have also suffered from the State-aided production of beet-root sugar on the Continent; so that the emancipation of the slaves may be regarded as marking the beginning of the decline of that great sugar industry which was so highly prized in the eighteenth century.

The long protected sugar industry has suffered severely.

The question of the treatment of coloured races did not come into prominence in connection with Canada, partly because the Hudson's Bay Company appears to have

¹ On a corresponding condition in Ireland compare Ricardo, *Letters to Malthus*, 188, 189. The pleasure of pure idleness is seldom sufficiently recognised by modern economists in working out the calculus of measurable motives. It was perhaps overrated in the eighteenth century. "Mankind in general are naturally inclined to ease and indolence; and nothing but absolute necessity will enforce labour and industry. * * * Those who have closely attended to the disposition and conduct of a manufacturing populace have always found that to labour less, and not cheaper, has been the consequence of a low price of provisions." *Essay on Trade*, pp. 15, 14. In spite of the operation of this principle the standard of comfort throughout the country generally seems to have risen during the eighteenth century. Arthur Young frequently calls attention to the increase of tea-drinking, and wheat-flour was again replacing rye (*Farmer's Letters*, 197 and 288; O. Smith, *Three Tracts*, 79). Another writer in 1777 treats butter as a new luxury among cottagers, *Essay on Tea, Sugar, White Bread and Butter* (Brit. Mus. 8275. aaa. 10). There is much interesting evidence as to the actual standard of living of the labourers in different counties in Davies, *Case of Labourers* (1795). See also J. W., *Considerations* (1787), for the estimated budget of a clerk on £50 a year.

² 8 and 9 Vict. c. 63. The preferential sugar duties were finally withdrawn in 1874.

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—1860.

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awakened to a new sense of responsibility to the Indians at an early date in the nineteenth century. The interruption of trade during the Napoleonic War¹ had brought the Company to the verge of ruin; and the Indians, who had come to be dependent for their very existence on supplies of ammunition from Europe, were reduced to a state of terrible distress². The most serious economic difficulties, in connection with the remaining British possessions on the American Continent, arose in consequence of the new economic policy which England was adopting. The complications which occurred in regard to the importation of cereals from Canada were the occasion of the repeal of the Navigation Acts, and the adoption of Free Trade led, in 1860, to the discontinuance of the preference which Canada had enjoyed, since 1803, for the supplying the mother-country with timber³, while the West Indies suffered in a

¹ The exportation of furs for sale at the markets of Leipsic and Frankfort became impossible for some years after 1806. Willson, *The Great Company*, 362.

² In a petition sent in 1809 to the Chancellor of the Exchequer the Company states that "the nations of hunters taught for one hundred and fifty years the use of fire-arms could no more resort, with certainty, to the bow or the javelin for their daily subsistence. Accustomed to the hatchet of Great Britain, they could ill adopt the rude sharpened stone to the purposes of building, and until years of misery and of famine had extirpated the present race they could not recur to the simple arts by which they supported themselves before the introduction of British manufactures. As the outfits of the Hudson's Bay Company consist principally of articles which long habit have taught them now to consider of first necessity, if we withhold these outfits we leave them destitute of their only means of support." Beckles Willson, *Great Company*, p. 368.

³ The Northern Colonies had never had such favour bestowed upon them as the West Indian Colonies; but lumber, one of their principal products, had been protected by a discriminating duty. This pressed very heavily on timber imported from Memel and the North of Europe. During the war the duty on European timber per load of 50 cubic feet was raised from 6s. 8d. to 65s., while the duty on colonial timber was never more than 2s. and that was removed before the close of the war. In 1821, in accordance with the recommendations of a Parliamentary Committee, the rate on European timber was fixed at 55s. and on colonial at 10s. (Porter, *Progress of Nations*, 874), and this appears to have had the effect of greatly invigorating the colonial timber trade. It was, however, alleged that the effect of these duties was to render timber dear in this country, to put a premium on the use of inferior qualities, and to encourage owners to use ships which had better have been broken up for fuel. There was consequently a steady attack upon the timber duties, as there had been on the sugar duties; but as they did not affect an article of ordinary domestic consumption, comparatively little public interest was aroused on the matter, and Canada continued to enjoy the advantage of this tariff till 1860 (Dowell, *op. cit.* II. 358).

similar fashion by the abandonment of the system which had secured them a monopoly of the English sugar trade. There was ample excuse for the feeling, which spread through the Colonies, that their interests and sentiments were entirely ignored; and their loyalty was in consequence subjected to a very severe strain.

During this period of indifference and estrangement, however, there was a stream of emigration which increased in volume, from all parts of the British Isles to the trans-oceanic Colonies. The first considerable movement was organised by Lord Selkirk, as a means of assisting the tenantry who were displaced from the Sutherland estates in 1803. One batch of emigrants was settled in Prince Edward's Island; and a much more ambitious scheme was carried out, in conjunction with the Hudson's Bay Company, for planting territory on the Red River in Rupert's Land. The immigrants were not all well adapted for the rough and laborious life of pioneers, and they suffered from the bitter quarrels between the Hudson's Bay Company and their rivals in the fur trade—the North West Company, who inherited the business which had been organised by the French—till the two bodies were amalgamated in 1821. The settlement had been recruited from the ranks of foreign soldiers, who had taken part in the war of 1812, and despite political complications with the United States, its success was so far assured as to direct serious attention to this form of enterprise.

The pressure of circumstances led to the formation of the Canada Company, which was organised in Scotland, for effecting settlements in the Huron tract. Among its most prominent men were John Galt and William Dunlop, who were drawn from the literary coterie which was associated with *Blackwood's Magazine*. The settlers were men of a different type from the poverty-stricken and broken-spirited Highlanders, on whose behalf Lord Selkirk had exerted himself, as they had both the means and the capacity to face the difficulties of pioneer life¹. A similar middle-class settlement

¹ The home conditions which have rendered any considerable section of the population desirous to emigrate have varied greatly at different times. (See

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—1850.

Emigration was encouraged by Lord Selkirk

and the Canada Company.

A.D. 1776
—1850.

had been carried out, partly at Government expense, in the east of Cape Colony in 1820¹.

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The condition of affairs which had been brought about in England by the Industrial Revolution, predisposed several of the leading economists of the time to look favourably on emigration as the best remedy for existing evils. They made a careful diagnosis of the ills that affected society, and came to the conclusion that territorial expansion and emigration would afford the greatest measure of relief. The leading exponent of these new views was Mr E. G. Wakefield, and he succeeded in rallying round him a very remarkable group of men; expression was given to his views by Dr Hinds, the Dean of Carlisle, by Mr Charles Buller in the House of Commons, and most important of all by John Stuart Mill in his *Principles of Political Economy*. Mr Wakefield and his coadjutors were theorists; they arrived at their views on a question of practical political administration by reasoning based on accepted economic doctrines.

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from
redundant
population
and a
plethora of
capital,

Since the time of Malthus it had become a commonplace to maintain that there was a redundancy of population in the country²; but the colonising school maintained that this redundancy was felt in every class of society, and not merely among the poorest³. They also urged that England was suffering from a plethora of capital; they argued that the steady formation of capital, while no new fields for enterprise were available, led in an ordinary way to feverish competition

above, p. 845.) In this connection the following sentences are of interest. "Towards 1825, the year of the organization of the Canada Company, the reduced scale of the Army and Navy and the economy introduced into all departments, withdrew many sources of income. Manufactures and trade were only advantageous when carried on upon a large scale, with low profits upon extensive capital. There remained only the learned professions, with clerkships in banks, insurance companies and similar establishments. For these pursuits an increased population, and the rapid growth of education, caused a keen competition. This secured for national purposes a great degree of talent; but the pressure on the middle classes grew yearly heavier. There were many who possessed small capital—from five hundred to one thousand pounds—but it was not everyone who possessed the judgment and industry required for a life in the bush." Lizars, *In the Days of the Canada Company*, 19.

¹ Egerton. *A Short History of British Colonial Policy*, 272.

² Emigration seems to have been looked on as the best means of relieving this country of pauperism (*Reports* 1828, iv. 4), and an immense amount of attention was given to it. See the Index in *Reports* 1847, LVIII. pl. 4.

³ Wakefield, *A View of the Art of Colonisation*, 66, 74.

among capitalists at a very narrow margin of profit, and occasionally, by a not unnatural reaction, to outbursts of wild speculation and consequent waste of capital¹. From their point of view what we needed was additional land. "Neither by improvements of agriculture, nor by the importation of food, if these fall short of the power of the people to increase, is the competition of excessive numbers in all classes diminished in the least. By whatever means the field of employment for all classes is enlarged, unless it can be enlarged faster than capital and people can increase, no alteration will take place in profits or wages, or in any sort of remuneration for exertion; there is a larger fund, but a corresponding or greater increase of capital and people, so that competition remains the same, or may even go on becoming more severe. Thus a country may exhibit a rapid growth of wealth and population—such an increase of both as the world has not seen before—with direful competition within every class of society, excepting alone the few in whose hands very large properties have accumulated. * * * We trace the competition to want of room; that is to a deficiency of land in proportion to capital and people or an excess of capital and people in proportion to land. * * * If we could sufficiently check the increase of capital and people, that would be an appropriate remedy, but we cannot. Can we then sufficiently enlarge the whole field of employment for British capital and labour, by means of sending capital and people to cultivate new land in other parts of the world? If we sent away enough, the effect here would be the same as if the domestic increase of capital and people were sufficiently checked. But another effect of great importance would take place. The emigrants would be producers of food; of more food, if the colonisation were well managed, than they could consume; they would be growers of food and raw materials of manufacture for this country; we should buy their surplus food and raw materials with manufactured goods. Every piece of our colonisation, therefore, would add to the power of the whole mass of new countries

*were en-
pounded by
Wakefield.*

¹ Wakefield, *Art of Colonisation*, 76. Mr Wakefield's letters are well worthy of perusal, as the observations of a judicious and far-seeing man on the actual condition of and probable changes in England. See especially pp. 64—105.

A.D. 1776 to supply us with employment for capital and labour at
 —1850. home. Thus, employment for capital and labour would be
 increased in two places and two ways at the same time;
 abroad, in the Colonies, by the removal of capital and people
 to fresh fields of production; at home, by the extension of
 markets, or the importation of food and raw materials¹."

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These enthusiasts for colonisation were more successful in
 their analysis of existing conditions than in their practical
 efforts in regard to the planting of new lands. The promoters
 of new enterprises were obliged to oppose the traditional
 policy of the Colonial Office, and they are hardly to be
 blamed for the defects of schemes which had only given a
 partial embodiment to their views. They regarded economic
 considerations as of primary importance in connection with
 colonisation, but they did not neglect political and social
 points as well. In 1830 they established a society for pro-
 moting systematic colonisation; from that time onwards they
 were increasingly successful in obtaining public attention.
 They failed to get their principles thoroughly and consist-
 ently applied in any region, but they were able to introduce
 important modifications in the plans that were carried out
 with regard to South Australia²; and Wakefield had a large
 share in promoting the Company which colonised New
 Zealand³. They had to insist once more on the common-
 sense principles which had been set forth by John Smith in
 regard to Virginia. They held that a serious wrong had
 been done in the preceding half-century, since emigration
 had been for the most part the mere deportation of convicts⁴
 and paupers, instead of the systematic planting of a civilised
 community. It may, however, be doubted whether any
 other means of securing the migration of a white population

¹ Wakefield, *Art of Colonisation*, 91.

² Jenks, *History of the Australian Colonies*, 129.

³ *Ib.* 172.

⁴ The transportation of convicts chiefly to the southern States had gone on till the Declaration of Independence, at the rate of about 500 a year (Egerton, *op. cit.* 262). A Parliamentary Committee was appointed on the subject in 1779, and a statute empowering the King in Council to create Convict Settlements was passed in 1788 (24 Geo. III. c. 65). Another Committee on Transportation was appointed in 1837, and reported against the continuance of the system (*Reports*, 1838, xxii. 46), which was still retained in New South Wales, Van Diemens Land, Bermuda, and Norfolk Island.

had been previously available¹, and whether it was not, in the existing economic conditions, the best available means for developing the new lands. But a time had arrived when a better system of recruiting the population could be introduced, and Mr Wakefield rightly attached great importance to every circumstance that might induce good citizens to emigrate; he was anxious that they should have full political freedom and abundant opportunity for the exercise of their religion². Besides laying stress on the quality and character of the emigrants, Mr Wakefield insisted on the importance of attracting capital to the Colonies, and the formation of capital in the Colonies. The first point of his programme, which Government adopted³, was the proposal to discontinue the practice of making free grants of land; he urged that by selling the unoccupied land it would be possible to prevent too great diffusion, and to form a fund which might serve to promote and assist the emigration of selected labourers⁴.

The agitation which was commenced by Wakefield is important as marking the beginning of the reaction against the indifference with which the Colonies had been regarded. The movement did not make much headway at once, but it has grown in strength, and given rise to the intense enthusiasm for imperial development, which was exhibited at the Great Jubilee of Queen Victoria. Wakefield did not regard the settling of new lands as a mere relief to congestion at home; he believed that this form of enterprise would react on the old country, so as to insure still greater prosperity than before. "Colonisation," he insists, "has a tendency to increase employment for capital and labour at home. * * * The common idea is that emigration of capital

He helped to create a new enthusiasm for colonial empire at home;

¹ Australian public opinion in 1840 appears to have still been divided on the question whether it was desirable to dispense with this method of recruiting the labouring population. Merivale, *Lectures on Colonisation* (1861), 855.

² Wakefield, *Art of Colonisation*, 55.

³ In 1831 a new departure was taken in the mother colony of Australia, as Lord Ripon instituted the system of disposing of land by public auction; but the practice of making free grants was not altogether discontinued till 1838. In 1840 the Colonial Land and Emigration Commission was created, and the rule was laid down that the proceeds of land sales should be held in trust by the Imperial Government for the benefit of that part of the colony in which the land was situated. Jenks, *op. cit.* 62.

⁴ Wakefield, *Art of Colonisation*, 44.

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and people diminishes the wealth and population of the mother-country; it has never done so, it has always increased both population and wealth at home¹." "Every fresh importation of food by means of exporting more manufactured goods is an enlargement of the field of production, is like an acreable increase of our land; and has a tendency to abolish and prevent injurious competition. This was the best argument for the repeal of our corn laws²." Mr Mill re-enforced a similar doctrine. "There needs be no hesitation," he says, "in affirming that colonisation, in the present state of the world is the very best affair of business in which the capital of an old and wealthy country can possibly engage³." The necessity of preserving coaling stations and harbours for our commerce, such as Vancouver, has been another motive which has brought the economic importance of distant possessions into light, and has contributed not a little to the change of sentiment on the subject.

and steps
were taken
both in
Canada

The sense of grievance on the part of colonists was greatly reduced, when the wise policy of granting them the fullest possible measure of responsible government was initiated. The seventeenth century tradition of political institutions had been perpetuated in all the Colonies, and the assemblies had had power to harass but not to control the executive authority. The problem of developing effective administration by a representative body was worked out in Canada under circumstances of exceptional difficulty, from the conflict of interest between the two provinces, from the traditions of the French population in Quebec⁴, and the pretensions of the loyalist refugees and older colonists in Toronto⁵. The wisdom and courage of Lord Durham did much to solve the difficulty in Canada; the system he established was adopted in 1855, with appropriate modifications, in Australia⁶, and through Mr Wakefield's influence in New Zealand as well⁷. The importance of Lord Durham's achievement was very imperfectly appreciated at the time;

and New
Zealand to
introduce
responsible
government

¹ Wakefield, *Art of Colonisation*, 92.

² *Ib.* 89.

³ *Principles of Political Economy*, Bk. v. ch. xi. § 14 (People's edition, p. 586).

⁴ Bourinot, *Canada under British Rule*, 125.

⁵ *Ib.* 140.

⁶ Jenks, *History of the Australian Colonies*, 238.

⁷ *Ib.* 247.

but we can see, as we read his report. how clearly he realised the magnitude of the interests involved in North America alone. "An almost boundless range of the richest soil still remains unsettled, and may be rendered available for the purposes of agriculture. The wealth of inexhaustible forests of the best timber in America, and of extensive regions of the most valuable minerals, have as yet been scarcely touched. Along the whole line of sea-coast, around each island, and in every river, are to be found the greatest and richest fisheries in the world. The best fuel and the most abundant water-power are available for the coarser manufactures, for which an easy and certain market will be found. Trade with other continents is favoured by the possession of a large number of safe and spacious harbours; long, deep and numerous rivers, and vast inland seas, supply the means of easy intercourse; and the structure of the country generally affords the utmost facility for every species of communication by land. Unbounded materials of agricultural, commercial and manufacturing industry are there: it depends upon the present decision of the Imperial Legislature to determine for whose benefit they are to be rendered available. The country which has founded and maintained these Colonies at a vast expense of blood and treasure, may justly expect its compensation in turning their unappropriated resources to the account of its own redundant population; they are the rightful patrimony of the English people, the ample appanage which God and Nature have set aside in the New World for those whose lot has assigned them but insufficient portions in the Old. Under wise and free institutions these great advantages may yet be secured to your Majesty's subjects; and a connexion secured by the link of kindred origin, and mutual benefits may continue to bind to the British Empire the ample territories of its North American Provinces, and the large and flourishing population by which they will assuredly be filled¹." He concluded with a vigorous protest against the prevailing carelessness. "It is by a sound system of colonization that we can render these extensive regions available for the benefit of the British people. The mis-

A.D. 1776
—1850.

*in the hope
of helping
to plant
English in-
stitutions
and
strengthen
English
influence
throughout
the world.*

¹ Reports, 1839, xvii. 7.

A.D. 1776
—1850.

management by which the resources of our Colonies have hitherto been wasted, has, I know, produced in the public mind too much of a disposition to regard them as mere sources of corruption and loss, and to entertain, with too much complacency, the idea of abandoning them as useless. I cannot participate in the notion that it is the part either of prudence or of honour to abandon our countrymen, when our government of them has plunged them into disorder, or our territory, when we discover that we have not turned it to proper account. The experiment of keeping Colonies and governing them well ought at least to have a trial, ere we abandon for ever the vast dominion which might supply the wants of our surplus population, and raise up millions of fresh consumers of our manufactures, and producers of a supply for our wants¹."

¹ *Reports*, 1839, xvii. 118.

POSTSCRIPT.

281. THE story of the growth of English Industry and Commerce has not come to an end; and no narrator can pretend to follow it to the close; he is forced to choose some point at which he thinks it convenient to break off the thread. There are many reasons why it seems wise to the present writer not to attempt to enter on the recent economic history of the country, or to delineate the course of affairs since 1850. At that period the abandonment of Mercantilism had become complete, and the reaction against *Laissez Faire* had begun to make itself clearly felt, so far as the regulation of industry and of internal transport are concerned. *The treatment of the recent economic history of England*

The treatment of recent history would necessarily be different from that which has been attempted in dealing with the affairs of other days. Contemporaries enjoy an admirable position for chronicling events and putting on record vivid descriptions of passing occurrences, but they are not necessarily better fitted than those who look on from a distance, to analyse the conditions which have brought about a change. Since economic causes do not lie on the surface, there is all the more danger that men may fail to appreciate the really important forces that are at work in their generation. It does not come easy to everyone to hold himself severely aloof from the interests and sentiments of his own day, so that he can hope to form the dispassionate judgment which is possible in tracing the course of affairs in bygone times. The financial and economic history of England, during the last fifty years, has been deeply affected by the personal influence of Cobden's most notable disciple. Men, who have felt the magnetic attraction which Mr Gladstone exercised, are hardly fitted to judge how far the extraordinary development of particular sides of economic life, which took

place under the fiscal and legislative measures he carried, has been altogether wholesome. It will be for future ages to decide whether he was the wisest of democratic leaders, or the greatest of unconscious charlatana.

especially
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develop-
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political
life

Nor does it seem possible to apply the method which has been pursued throughout the foregoing pages, in tracing the fortunes of the English people for nineteen hundred years¹, to the industrial and commercial growth of the last half-century. It has been the object of this book to co-ordinate the story of economic life with that of political development, and to bring out the relations between the two. In each era political aims have affected the direction and manner of economic growth; the story of material development is only intelligible, when the underlying sentiments and objects are clearly understood. But with the fall of the Mercantile System, the power of the English realm, in its narrower sense, which was for centuries the determining factor in shaping the economic growth of the country, has ceased to be treated as an adequate, far less as an exclusive object of consideration. There is a far wider outlook before us in discussing the economic policy of the realm, and we have hardly yet focussed our view as to the direction in which we may most wisely try to move. Account must be taken of the great communities and dependencies beyond the sea, both as regards our political institutions, our naval and military expenditure, and our material prosperity. Not till the new forms, which the life of the British Empire is assuming under our very eyes, are more clearly defined, will it be possible to trace the process of economic readjustment which has been involved in attempting to meet these new requirements. Political and economic factors react upon one another; the doctrine of *laissez faire* has vanquished the narrower nationalism of the seventeenth and eighteenth centuries; but has it said the last word in regard to our mercantile relations with all parts of the world? We have discarded this doctrine, deliberately and finally, in regard to the conditions of industrial life, and the management of traffic within Great Britain. Who shall say what the issue will be when the

throughout
the British
Empire.

¹ B.C. 55 to A.D. 1850.

question of its continued applicability to English commerce is once fairly raised¹?

The entire abandonment of national commercial regulation, either through Navigation Laws or by means of tariff, was an ideal which was hailed with enthusiasm by many writers at the close of the eighteenth century. Sir John Sinclair held very decided views on the subject. "It is unnecessary," he wrote in advocating a general colonial emancipation, "to point out the advantages which Europe in general would receive were such an important alteration to take place in the situation and circumstances of the most fertile and valuable provinces which the world contains. My breast glows at the idea that a time may possibly soon arrive when the ships of Denmark, of Sweden, and of Russia, of Holland, of Austria, of France itself, and of Great Britain shall no longer be debarred from sailing to the coasts of Chili and of Peru, or be precluded by any proud monopolist from exchanging the commodities of Europe for the riches of America; and when every state, in proportion to the fertility of its soil, and to the industry of its inhabitants, may be certain of procuring all the necessaries and the conveniences of life. With such a new and extensive field opened to the exertions of mankind, what discoveries might not be expected, what talents might not break forth, to what a height would not every art and science be carried? The mind of a philanthropist need not be overpowered with the magnitude and importance of the ideas which present themselves to his view, when he can figure, for a moment, mankind united together by mutual interest, and bound by the ties of commercial intercourse to promote the general happiness of the species²." It seemed to many people, however, that the best chance of realising this ideal was in a new country, where there was less respect for a traditional policy or for vested interests, and many economists looked hopefully to the United States to be the pioneer of Free Trade. Jefferson, who was much influenced by French writers, expressed himself decidedly on

Laissez faire in commerce was long ago accepted as an ideal by individuals, both in England

and America,

¹ Mr Chamberlain's speech on May 15, 1903, marks an epoch, as it recognised the necessity of bringing our economic policy into accord with Imperial ideas.

² Sinclair's *History of the Public Revenue*, II. 105.

the subject. "I think," he wrote in 1785 to John Adams, whose views, like those of Franklin, were in close accord with his own, "all the world would gain by setting commerce at perfect liberty¹." But events proved too strong for the young Republic. Both France and England were anxious to maintain their own commercial systems, and though it was possible to adjust trade differences with France², the English shipowners were unwilling that the Americans should compete with them on even terms in any branch of trade³. Had the Bill⁴ which Pitt drafted in 1783 been adopted, America might have grown up as a Free Trade state, but Fox and his supporters⁵ succeeded in maintaining the exclusive policy of the Navigation Act. American statesmen had reason to fear that their nascent commerce would be crushed out of existence. It thus came about that, under English influence, the inclinations of the leaders of opinion in America were modified⁶; the transatlantic Republic, which adopted internal freedom of commerce and industry with enthusiasm, did not rely on the new principles for foreign trade, but set herself to carry on the old nationalist tradition in the New World.

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thusiasm
of the
opponents
of the Corn
Laws,

The ideal of perfectly free commercial intercommunication was not abandoned, however; it took a hold of the imaginations of the Englishmen who agitated against the high protective duties on corn, which pressed so severely after 1815 on the manufacturers and the poor. The principles of the Anti-Corn-Law League were so clear that anyone who opposed them seemed to be actuated by selfish prejudices rather than by any reasonable objection. The Free Traders were convinced that if England took the bold course, and abandoned her merely nationalist system, all other countries would be inspired by her example. The national prosperity of England has increased by leaps and bounds since 1846, far beyond the

¹ Randolph, *Memoirs, Correspondence, etc. of Thomas Jefferson*, i. 264. On political grounds Jefferson would have preferred that American citizens should keep to rural pursuits and not develop commerce, or manufacturing. Tucker, *Life of Jefferson*, i. 200, also *Notes on Virginia*, 275.

² McMaster in *Cambridge Modern History*, vii. 323. ³ See p. 674 above.

⁴ *Commons Journals*, xxxix. 239; Leone Levi, *op. cit.* 57.

⁵ Compare Disraeli's speech in 8 *Hansard* LXVI., Feb. 14, 1848.

⁶ Austin, *Soundness of the policy of protecting domestic Manufactures*, 1817. Hamilton, *Report on Manufactures*, pp. 4, 31.

expectations of those who advocated a change in our fiscal policy—but there is little disposition on the part of other peoples to follow the line we have pursued. Indeed, the attitude of a country, which poses as a great example to other nations, is not necessarily attractive. It is less likely to call forth enthusiastic imitation than to give rise to carping criticism. The expectations of Cobden have been falsified¹; other nations are inclined to imitate the steps by which England attained to greatness, and to try to build up a commercial and industrial system by the protectionist methods she pursued in the seventeenth and eighteenth centuries, rather than to take over her recent policy ready made. It may be pointed out with truth that the system of unfettered intercourse was opportune for England, because she had reached a particular phase of development as an industrial nation, but that it is not equally advantageous to countries in which the economic system is less advanced². The Free Traders made the error which was so common among the economists of the day³, and based on the particular conditions of England, a maxim which they regarded as of universal validity. Cobden had no scruple in separating himself from the thorough-going Free Traders⁴ and falling back upon a system of commercial treaties in 1860. But his anticipations as to the collapse of protectionism in France⁵ have not been realised; the network of treaties which was framed, has not secured a gradual advance towards universal Free Trade⁶. The rise of national enthusiasms, both on continental Europe and in America, has had its natural result in kindling an increased desire for national economic life; and England has bereft herself of the means of bargaining⁷ with any foreign country, so as to make better terms for the admission of her goods. A modification of our fiscal system, which would enable us to offer free import for the corn of Canada, India, Australia, and other parts of the Empire, would secure us an ample food supply; we would then be able to impose duties on the goods imported from countries which endeavour to exclude our manufactures;

but their expectations as to the action of other nations have not been fulfilled.

It may be wise to abandon commercial laissez faire for the sake of securing our food supply.

¹ Cobden, 15 Jan. 1846; *Speeches*, I. 860.

² List, *National Political Economy*, 186.

³ See above, p. 740.

⁴ Morley, *Cobden*, II. 838.

⁵ *Ib.* II. 246.

⁶ *Ib.* II. 843.

⁷ Fuchs, *The Trade Policy of Great Britain and her Colonies*, XXIX. 201.

and
securing
an open
door for
our manu-
factures.

and thus have a prospect of either obtaining a revenue, or of inducing our neighbours to give us better terms. It seems as if a time were coming when it would only be by specific agreement that we shall have access to markets in which to dispose of the wares with which we purchase the necessities of life, and of industrial activity. The imposition of retaliatory tariffs on protectionist countries may be forced upon us as the only means of strengthening our business connection¹ with the great self-governing colonies, and of thus securing the command of supplies of food and raw materials. It is possible that England would by this means not only ward off the dangers which threaten her very existence, but enter on a path by which the completest economic co-operation between the distant regions which form parts of the Empire may be most quickly and easily realised.

This course
would
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with tra-
ditional
Whig views
of the
benefit of
commerce,

The persuasive force of economic principles becomes greater when concrete instances, which affect immediate interests, can be adduced in supporting them. The manufacturers in 1846 realised that by the adoption of Free Trade and the admission of foreign cereals, the demand for our manufactures would be enormously increased². They had such a belief in the superiority of our methods of production, and the eagerness of foreigners to buy on the cheapest terms, that they could not conceive that any market which was once open to our goods would ever be deliberately closed against us. Circumstances have so far changed, and our industrial rivals have so far developed in efficiency and in commercial influence, that the question is forced upon public attention whether it is prudent for us to continue to trust entirely to *laissez faire*, or whether we are not compelled to take active measures to retain and extend the market for our goods. Under changed conditions there may be a new reading of the Whig commercial tradition,

¹ Such retaliation is quite different in economic character from any scheme for reverting to the protection of home industries, as it was in vogue in the eighteenth century, or is maintained in any country which regulates economic life on a strictly National basis. Huskisson attempted to modify our tariffs in such a fashion as to create new ties of common interests throughout the Empire, but his plan would not be applicable to present conditions. (Cunningham, *Wisdom of the Wise*, 50.) The scheme for an Imperial Zollverein is discussed sympathetically by Lord Elgin, who regarded it as no longer practicable, *Letters and Journals*, 61. But it may still be possible to introduce particular measures that benefit the mother-country and some particular colony too, without attempting to impose one system on all the members of the Empire.

² Morley, *op. cit.* i. 141.

which insisted on the advisability of managing trade so that it might react on home industry¹. Our manufacturers may recognise that some leverage is necessary if we are to secure an open door for the sale of our goods. A duty on the corn imported from countries which tax our manufactures heavily would be the most obvious mode of bringing pressure upon customers who look to us for the sale of their products. In so far as such duties yielded a revenue, they would be in accordance with the fiscal tradition of the Tories², which has always favoured schemes for placing the burden of taxation on as wide a basis as possible, instead of concentrating it on a single class. A modification of our fiscal policy, which shall bring it into accord with the fundamental economic views of each of the historic parties, and shall render it more acceptable to the developing British colonies, may not occur immediately; but many circumstances are tending in that direction³.

in stimulating industry,

and with the Tory tradition as to distributing the burden of taxation.

282. The trend of events during the last fifty years is particularly difficult to interpret because the half century has been one of such rapid changes. In this it is comparable with the sixteenth and seventeenth centuries rather than with any other period. The facilities of transport, which had been introduced during the preceding decades, have been rapidly developed, and cosmopolitan organisation of intercourse is beginning to show itself. The importance to the whole world of a postal and telegraphic service is clearly felt⁴, and the primacy of cosmopolitan over territorial interests is recognised, in the denationalisation of certain great waterways, such as the line of lakes in North America, and the Suez Canal; there is a curious contrast with the mediaeval demarcation of marine spheres of influence, or the seventeenth century claims of the English to the Sovereignty of the Seas. Attempts to secure cosmopolitan agreement as to the standard of value show a new desire among the peoples of mankind to meet the common convenience⁵. The days of the supremacy of the nation as the unit for economic regulation seem to be passing away, as civic economic institutions and intermunicipal commerce have been merged, but not lost in national economic

Recent history presents a parallel with that of the sixteenth century,

in the substitution of a new basis for economic organisation;

¹ See p. 457 above.

² See p. 600 above.

³ Fuchs, *Die Handelspolitik Englands* (1893), p. 812.

⁴ Walls, *Recent Economic Changes*, 82.

⁵ Cunningham, *Western Civilisation*, II. 264.

life. Cosmopolitanism has hitherto failed to suppress the national 'will to live'; indeed, there has been a fresh development of patriotic sentiment in new lands¹, as well as in the old world, but it need not necessarily express itself in international and inter-racial competition all over the world. Patriotic traditions and aspirations may have full scope in nationalities, which are yet federated, for common political action and conscious economic co-operation, in one great Empire.

in the
effects of
the dis-
coveries of
gold and
silver

The rapidity of change has also been stimulated by the success which has attended gold-mining during the last half-century. The discovery of gold in California in 1849 and the working of the Australian diggings in 1851 added immensely to the world's stock of gold. This has been estimated as £560,000,000 in 1848, while it is believed that no less than £240,000,000 had been added before the close of 1860—or an increase of nearly fifty per cent². The effects of the opening up of these sources of supply have been many and far-reaching. The most obvious has been a rapid fall in the value of gold, and, as a consequence, a rapid rise in prices in England, since gold is now the standard of value. We have very full records of the prices of commodities of all sorts for the period 1845—50, before the influence of the newly discovered gold was felt; and we see that in 1853 general prices ranged 11·3 per cent. higher, and that the increase went on till, in 1857, there had been a rise of no less than 28·8 per cent. on the prices for the quinquennial period which closed in 1850³. The changes in prices have been accompanied by variations in the relative value of the two precious metals; from 1850 till 1870 gold slightly depreciated relatively to silver; though this has been obscured in retrospect by the still greater changes of an opposite kind which occurred through the opening up of the silver mines in Nevada, and the new demands for gold which were set in motion by the alteration of the German monetary system in 1872, when gold was adopted in place of a standard that had been practically bi-metallic. The corresponding movements, in the sixteenth and seventeenth centuries, resulted in a difference of the rating of gold in different countries, all of which were chiefly silver-

and on the
relative
value of the
precious
metals;

¹ B. C. Jebb, *Studies in Colonial Nationalism*, 1.

² Jevons, *Investigations in Currency and Finance*, 65.

³ Jevons, *Ib.* 47. See Append. G.

using; in recent years it has brought about a marked cleavage between the gold-using and the silver-using countries. The financial and commercial relations between England and India have been altered; Indian production, both of raw products and textiles, has been stimulated by the high silver prices which could be obtained in gold-using countries, and in England the agricultural interest appears to have been depressed by the importation of grain ripened in a silver-using country¹, while English manufactures cannot be so profitably exported to the silver areas². The remarkable development of trade, from 1850 to 1874, appears to be directly connected with the rise of prices which followed the discoveries of gold³, while the subsequent depression is equally clearly connected with the dislocation which has been due to the fall in the value of silver relatively to gold⁴. The material prosperity of England is dependent on trade, and the main influences which have affected her industrial and agricultural life during the last half-century have originated in events which occurred in distant parts of the world.

The parallel, between the period which followed the discovery of the New World and the last half-century, holds good, not only in regard to prices, but in other ways as well. There has been an unprecedented opportunity for the formation of capital; and the new means of communication which have been opened up, have made it possible for enterprising men to invest it, in developing the resources and industry of any part of the globe. In the sixteenth century England was a backward country, and capitalists seeking for investments looked towards it from all the continental monetary centres. During the last half-century London has been the city in which financial business has been chiefly concentrated, and English capital has flowed out to engage in industrial and commercial and engineering undertakings in our colonies, in foreign countries, and in uncivilised lands.

There is another aspect in which the parallel holds good; the addition which accrued to the world's bullion—stimulating

¹ *Report of Gold and Silver Commission, in Reports, 1888, XLV. 331.*

² Bowley, *England's Foreign Trade*, 98.

³ Nicholson, *Money and Monetary Problems*, 180.

⁴ Ll. Price, *Money and its Relation to Prices*, 181.

*in the
building up
of great
fortunes,*

as it did the industry and commerce of the time—appears to have produced a general diffused increase of comfort, in England at all events, but it certainly led to the accumulation of large fortunes. This was also the case in the sixteenth and seventeenth centuries; the moneyed class rose in importance; there was a steady trend of new men, who had been successful in the City, to fill up the ranks of the landed gentry; but the merchants and financiers continued to grow in wealth and power. The farmers of the taxes under Charles I., the goldsmiths in the Restoration period, and the company promoters of the time of Queen Anne were men who often rose from small beginnings to be the possessors of large fortunes. The new accession of wealth during the last half-century has brought about an improved standard of comfort among the working classes generally¹ and among the middle classes, and modern conditions have also afforded opportunities for the accumulation of unprecedented fortunes in business. The poor are not growing poorer, but the very rich are becoming much richer. There were not a few complaints of the disintegrating influence which the absentee landlords and new men exercised in Elizabethan and Stuart times, and the millionaire of the present day also seems to find it difficult to choose, among the various continents, the one in which he prefers to make his headquarters, to discern his duty to his neighbours there, and to do it.

*and in
changes in
business
organisa-
tion,*

The rise of individuals to great wealth, in the seventeenth century, was associated with changes in the methods of business organisation. The civic and municipal guilds had fallen into decay, and the companies, which strove to carry on a regulated trade on national lines, failed to justify their existence. Commerce came to be conducted on new principles, and each individual was free to push his business as best he could; or it was handed over to joint-stock companies which enjoyed large concessions and judicial and military status. The whole of the elaborate system, by which efforts had been made in the Middle Ages to secure and enforce good order in commercial transactions, or in industrial life, broke down utterly and for ever. Free competition triumphed over the methods of careful organisation, and the right to freedom in bargaining,

¹ Giffen, *Essays in Finance*, Second Series, 405

which had been traditionally maintained outside municipal boundaries, asserted itself in the seventeenth century. In recent years there have been similar changes; the competition of comparatively small capitalists with one another can no longer be assumed; immense strides have been made in the way of organising business management, so as to control the whole process of production in some great department of industry. The growth of trusts in America, which are profoundly affecting English industry, both by their example and by the competition they carry on, is in many ways alien to English commercial tradition. The sentiment in favour of publicity in transactions, and the competition of buyers and sellers in a market, has never obtained such a hold in America as it had in English life. The mediaeval dislike of forestalling and regrating—of private bargaining outside the market—never seems to have crossed the Atlantic; and there has in consequence been greater opportunity for organising systems of control, which embrace the production of the material for some manufacture and the distribution of the product by retailing agents. It is not possible for all the buyers and sellers, who are practically interested in transactions in some class of goods, to meet on the same spot; the old methods of securing publicity are inapplicable; "common estimation" can no longer be discerned from the higgling of the market. The facilities for transport are so great, that buyers of the produce of Virginia or California are to be found all over the globe. The postal service and the electric telegraph bring buyers and sellers from distant regions into communication; while they help to diffuse information publicly through the newspapers, they have a still greater effect in giving extraordinary facilities for private communication. Since the seventeenth century, when business became a matter of private enterprise, it has tended more and more to take a speculative character. Reliable private information and judicious forecasts of probable changes are the chief elements in planning and carrying through a successful deal. The methods, which are appropriate for transactions involving considerations of world-wide supply and demand, are completely different from those which were

which have been facilitated by the telegraph system.

in vogue a hundred years ago. The competition of small capitalists, within the limits of a single country, is being rapidly superseded as the determining factor in price; a revolution is occurring, similar to that by which private enterprise ousted civic regulation and well-ordered trade. In every particular, the transition which has been recently taking place corresponds to the changes which occurred after the discovery of the precious metal in the New World, save that, in modern times, the movements are more rapid and more widespread in their effects.

*Whereas
Elizabethan
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National
Power*

*and the
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*nineteenth
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public
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283. The parallel between the economic conditions of the Elizabethan age, with which this volume opened, and those of recent times in England is clear enough; but there are differences which are well worth noting. The object which Lord Burleigh and many succeeding generations of statesmen kept steadily before them was that of building up English power and prestige. They were determined that the nation should be free, economically and politically, to live her own life, and work out her destiny in the world for herself, uncontrolled by the Pope, or any of the Roman Catholic powers. Their whole scheme of industrial and commercial life was devised with a view of fostering the elements that made for national power. Adam Smith and the classical economists did not really abandon this point of view; they only insisted on a new means of obtaining the recognised end of political economy, as they understood it. They pointed out that wealth of any kind was the source of power, and that *laissez faire* principles were favourable to the rapid increase of wealth, both individual and national, and therefore to the increase of the power of the nation. The change, which occurred in nineteenth century opinion, was somewhat deeper; it depended on new views, not of the means to be used, but of the end to be pursued. The welfare of the people committed to their charge was not left out of account, or forgotten, by the statesmen of the Elizabethan and Stuart period, but their chief care was for national power; in the last half century, national power and prestige still kindle the keenest enthusiasm, but the main thought and effort of public men is given to the improvement of the condition of the masses of

the people. There has been a conscious effort to preserve the welfare of the community, in all its various aspects, and a tendency to disparage the ambition for national power; this finds its fullest expression in Socialism, but it has influenced public opinion in many ways, and affected governmental action. There has at least been a noticeable change in the stress laid on these different objects. In 1850 England had consciously discarded the old scheme for fostering the various factors of national power, but assiduous thought has been constantly given to the elements which go to constitute human welfare, and to the best means of attaining them either by State action or associated effort. It has been possible to trace the influence of philanthropic sentiment in checking abuses of many kinds, but it is not easy to delineate with any precision the positive conception of welfare on which it has been based. We are forced to separate it from the ideals of religion altogether, though these may do much to mould the personal attitude towards social duty¹. Religious motives have done and may do much to stimulate to philanthropic action; but the aims which are comprised in the current ideals of welfare are purely mundane. They cannot be universal, similar for all human beings alike, but must be adapted to the temperament and conditions of different races; they cannot be eternal, since they concentrate attention on earthly existence. They offer a practical aim, which is attractive to many whose enthusiasm is not kindled by ideal objects. Among the conditions of welfare in human life, a supply of the comforts and conveniences of life occupies a large place; the increase of material goods affords the possibility of leisure, and freedom from constant drudgery; these are conditions without which high national attainment in literature or science or art do not seem to be possible. Hence the classical political economy of Adam Smith and his successors has a permanent importance; the causes of the wealth of nations, the increase of physical resources, and of

is concentrated on the Welfare of the masses,

and the conditions for realising it,

¹ On the different attitude taken to work—as a matter of expediency or of duty—see Cunningham, *Gospel of Work*, p. 54. The influence of religion is treated more generally by Professor Nicholson in his excellent chapter on the *Relation of Political Economy to Morality and Christianity*, in *Principles*, III. 427. See also Cunningham, *Modern Civilisation*, 189.

national prosperity have an abiding interest. But it is important to remember that the Science of Political Economy, as they formulated it, only deals with one aspect of human life,—or with the material and physical conditions of existence and progress, rather than with life itself. These constitute a very important aspect; and they are very difficult to deal with, as the severance between private and public interest, or the divergence of temporarily conflicting interests, is more marked in this connection than in the other elements of welfare. The interests of landed and moneyed men, or of capital and labour, or of an old and an undeveloped country, often are distinct, and the chief problem of modern political life is to prevent any one interest from becoming dominant and allowing itself to pursue its own advantage in disregard of the common weal.

so as to
afford
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to the
interests
of labour
in England

Since 1832, when England became consciously democratic, and still more since 1874, when the new principles were more thoroughly applied, the physical well-being of labour has been kept very prominently in view by English legislators and administrators. Political power rests with the working classes, and they may possibly use it so as to burden the owners of property unduly, and prevent the formation of capital, or so as to harass employers in the

¹ An attempt has been made by Jevons and his followers to revolutionise Political Economy and to recast it in a form in which it appears to offer a scientific account of Human Welfare. They start from the conception, which Adam Smith discarded, of value-in-use, instead of value-in-exchange, and explain transactions in terms of the degrees of utility or disutility involved. This is a convenient mode of statement for treating certain problems, particularly those of consumption, but the analysis of subjective motives has always seemed to me a cumbersome and inconvenient way of approaching the facts of the actual exchange of goods, as it goes on in the world. It is comparatively easy to take a certain type of human being and analyse his probable conduct, but the principles thus obtained are not real generalisations from observed fact (Cunningham, *Plea for Pure Theory*, in *Economic Review*, II. 86). It is difficult to see within what limits they are applicable, or what corrections it is necessary to apply in order to make them the basis of practical maxims. According to Adam Smith's treatment exchange-value is the fundamental conception; and in modern life the conditions of exchange dominate over the methods of production and the terms of distribution. The most recent English writers, Professor Nicholson in his elaborate treatise, and Mr Devas in his manual, while embodying the results obtained on the new methods, show a decided reaction against the mode of statement introduced by Jevons, and a tendency to revert to the objective treatment which was adopted by Adam Smith and the Classical Economists.

management of their business; in either case the community will suffer, and the working classes will have to bear their share in the general disaster. But on the other hand, there is good reason to hope that they will attain to such a measure of political wisdom, and such a sense of political responsibility, as to endeavour to avoid these dangers, and so may refrain from pushing the interest of their class beyond the point where it ceases to be consonant with the well-being of the community as a whole. The accentuation of this element of care for labour, which is a characteristic feature of modern English life, is reproduced in the daughter communities *and her colonies;* which have grown up during the last half-century. Labour is the predominant factor in the political life of Australia and New Zealand; the conditions of labour occupy much of the consideration of the legislature, and the welfare of labour takes a very prominent place in the conception of the welfare of the community.

In other modern States this is not the case to nearly the same extent. Among continental peoples, the necessity of *while the policy of other countries is more concerned with National Power,* maintaining large military organisations is still regarded as paramount. Power rather than Welfare is the main object of economic policy; France, Germany, and Russia are necessarily pursuing a course that is more closely parallel to that of England in the seventeenth century, than to that of England to-day. In Germany in particular the efforts of the government to retain the mastery, and yet to exercise it benevolently, bear a curious analogy to the work of the Council under James I. and Charles I. In America, with the extraordinary possibilities of settling on the land which it offers, the necessity of taking active steps to promote, or to protect, the interests of labour have never been recognised. There may be a change in this respect, now that the field for extension is so clearly defined¹, but up to the present time the government has been inclined to give facilities for the accumulation and profitable employment of capital, as the best expedient for promoting the development of industrial employment and the good of the community. So far as the *or the interests of capital.* American economic system is concerned, it appears to be

¹ F. J. Turner, *Significance of the Frontier in American History*, 199.

generally thought that if attention is given to the interests of capital, those of labour will also be saved indirectly, but none the less really and in the best way. Unlike as Russia, Germany, and America are in many ways, they are similar to one another and distinguished from England by this common feature, that in all of them labour is still struggling for primary consideration at the hands of the government. It is not yet secure in the enjoyment of the power of association to attend to its own interest, and is apt, from a sense of official want of sympathy, to ally itself with the socialist and anarchist opposition to the established order.

The power of labour is shown in the respective policies of England and her colonies,

and in the development of Trade Unions,

Friendly,

and Co-operative Societies.

It is not a little curious to notice that, in the different circumstances of the mother-country and the colonies, the same cause, the dominance of labour, has brought about an opposite influence to bear on economic policy. In England the working classes have become firmly attached to the free trade principles which tell in favour of cheap food to the consumer; in Victoria and some other colonies, they are more inclined to adopt a policy which favours producers. But the power of this factor in national life is shown, not only in the trend of legislation, but in the character and work of the associations of English working men. In various ways they have contributed to the maintenance of a high standard of comfort. This has been the direct object of Trade Unions, and whether their existence has been a contributing cause or not, there can be little doubt that the working classes generally, and the skilled artisans in particular, have attained to a much greater command over the comforts and conveniences of life than they formerly enjoyed. Friendly Societies continue to flourish and to guard their members against the risk of being submerged through the loss of health or other unforeseen occurrences. In addition, by means of the Co-operative movement, the poor consumer has been able to bring effective supervision to bear on the quality and price of the goods supplied to him. The guarantee which the Assize of Bread and Ale were supposed to afford can be much more completely brought into operation, and at far less cost, by the agency of these great trading bodies. On all these sides a remarkable system of self-help has been organised, and the labourer has

been able to protect himself against the degrading influence of reckless competition, and to secure that a measure of the increasing wealth of the realm shall be diffused so as to give better opportunities of welfare to the masses of the people.

284. A consideration of the course of recent legislation and the working of English institutions seems to show that the conception of welfare, as it presents itself to the English mind now-a-days, is not identical with the views that are cherished in other communities. The differences come into clearer light when we turn from questions connected with the diffusion of material wealth, to the moral elements which are involved in the idea of well-being. In all economic conceptions there is relativity; while on one side there are material objects, on the other we have the human beings by whom these objects are used; varieties of disposition and temperament must introduce considerable differences in the aims they cherish. These are perhaps of greater importance with respect to the influence exercised on subject peoples, than in connection with the condition of the citizens themselves.

There are two points in the mental attitude of Englishmen which are at least less noticeable in other communities. There is, for one thing, a remarkably strong historic sense, and regard for tradition. We have long prized our own, we have more lately learned to be respectful in our attitude towards those of other races. The sentiments of other peoples, as embodied in their literature and institutions, have been treated with marked tenderness, during the greater part of the nineteenth century. So far are we from trying to stamp them out, and force English ways and habits of thought upon other peoples, that we are sedulous in the effort to exercise our influence to preserve and foster rather than to supersede. There was no similar feeling among English statesmen of the seventeenth century; the aim of James I. and of Strafford and Laud was to assimilate the institutions and habits of thought of the realm of Great Britain and Ireland to one model, by recasting the ecclesiastical system of Scotland and bringing about thorough changes in the social conditions of Ireland. In Ireland that effort for assimilation has gone on, though in recent years there has been a reaction, and more attempt has

The English conception of welfare is distinct from that of other peoples, and includes

a deep regard for historical tradition

and an abandonment of the desire to assimilate other peoples to the English model,

been made, for good or evil, to govern Ireland according to Irish ideas, and to introduce and diffuse a wider acquaintance with the Erse language and literature. The Scotch failed in their endeavour to impose their habits of thought and institutions on England, as the price of their assistance in the Great Rebellion; and since the Restoration the effort at expanding the English model, and introducing it in all parts of the English realm, has been abandoned. The North American colonies were allowed to develop on their own religious and social lines, and at the Union in 1707, the Scottish ecclesiastical institutions and the Scottish legal systems were preserved intact, and side by side with those of England. The right and freedom for different nations to preserve their own language and traditions and sentiments within a single political community has been acknowledged, and this is the basis of English policy in all parts of the world. There is no other great civilised community in modern times which has shown itself ready to take this line; in the United States the need of assimilating the alien elements which immigrate there is constantly before men's minds. The Tories and Loyalists were thrust out after the successful struggle against the British Crown¹, and there is a determination so far as possible to keep out those who do not easily adapt themselves to American conceptions of citizenship. In Russia and Germany the pressure of the military system renders still more active measures inevitable; and the troubles in the Polish provinces of Prussia, and in Finland, mark the contrast between the prevailing ideas in England and in other great States upon the respect to be shown to racial sentiment and tradition.

as well as a high respect for human life,

It is perhaps less obvious that in England there is a remarkably highly developed care for human life as such. The difference on this point between all Western peoples and savage tribes or the civilisations of the East is very marked; and when East and West come in contact, there is a tendency for the higher races to take the savage or half-civilised at their own valuation. In England, since the agitation against the slave-trade began, there has been a serious effort to apply

¹ McMaster in *Cambridge Modern History*, VII. 307.

the European estimate of the value of life to the coloured peoples with whom we come in contact. In the two branches of the Anglo-Saxon race there appears to be some divergence in this matter; the attitude of aloofness towards the negro which characterises the United States generally, and the long frontier wars with the Indians, have tended to produce a tone of sentiment in regard to black, red, and yellow races with which the Englishman does not find himself in full sympathy. *even in the case of coloured peoples.* At the same time the horror of grandmotherly interference by the Government appears to be stronger in America than in Europe generally or in England, and the sense that it is the business of the individual to take care of himself and preserve his own life militates against the exercise of police supervision and protection on a large scale. There are no means of gauging it accurately or instituting a definite comparison, but it certainly appears that the duty of the State to protect the persons and lives of men of all races alike is less clearly recognised in the United States than it is among the other branches of the English race. It is to a large extent the consciousness of this difference of sentiment which gives the Englishman a feeling of destiny in regard to the exercise of influence over subject peoples. Free play for the men of all races to attain to the best that is in them is the principle which British rule has sedulously endeavoured to realise in all parts of the globe, by introducing institutions for the protection of life and property, and for giving all possible scope to varieties of tradition, sentiment and culture. There is little danger of underrating the greatness of the task that has thus come to our hands. But to men who are men, these very difficulties sound a call of duty; and the best of the coming generation are showing a keen enthusiasm to have their personal part in the mission of England, and to serve their country in any part of the world.

285. The only parallel with England in the work on which she has now entered is to be found, not in any of the peoples of the modern world, but in the Roman Empire of ancient times. *The Roman Empire had to deal with the same problems,* There is the same complex political problem, from the wide extent of the Empire and from the fact that in so many parts of it two or more races with distinct sentiment

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pressure it
entailed;*

and traditions are living side by side on the same soil, and there are pessimists who are always ready to point to the decline and fall of the Roman Empire, as a warning of the fate which is in store for England, since she has undertaken a similar task. But we may remember the differences, as well as the resemblances between the two Empires; whatever the weakness of the English system may be, it does not suffer from the evils which were most noticeable in Rome. The origin of the two Empires is distinct, as the one was formed by military successes, the other by the gradual extension of commerce. The physical character of the two Empires is distinct, as the one stretched over large areas of contiguous territory, traversed by magnificent roads, while the other consists of scattered possessions, to which access is obtainable by sea. The cost of maintaining the defence of the frontiers and communications within a great land empire was enormous, and drained the resources of the Empire; while the navy serves to protect the commerce which is the very basis of England's wealth. Conquered countries were ruined and exhausted by Roman government; but the outlying parts of the British Empire are strong and vigorous communities. The expenses of government and magnificent public works at Rome entailed a burden of taxation which ruined the landed interests and rendered fertile regions desert; while English influence has brought vast tracts under the plough and made provision for a greatly increased population throughout the Empire. The moneyed men were forced to bear a costly and unwilling part in the affairs of State¹; while the modern system of public borrowing—with all its disadvantages—brings the moneyed men and the Government into partnership, for their mutual advantage. It might be difficult to specify the precise aims which Hadrian, Marcus Aurelius, and Julian set before them; but there was little sign of that constant care for the welfare of the masses of the peoples—of all tribes and languages alike—which is the aim of the ruling race to-day.

Striking as are the economic differences between these two great Empires, the political contrasts are even more

¹ Cunningham, *Western Civilisation*, I. 188.

remarkable. Rome did indeed allow—with a half-contemptuous indifference—the subject peoples to retain their own customs and religions, but she encroached more and more upon the political liberties of her most cherished allies, till all were embraced in the iron grasp of one great administrative system. England has set herself from the first to carry out a devolution of authority to the largest extent possible. In 1619 King James granted a constitution under which Englishmen living in Virginia were able to express their views as to the manner in which the government of the colony should be carried on. In one after another of the territories which have been planted since that time, governmental institutions, on the model of those at home, have been created; and efforts are made, not only to enable Englishmen to retain the practice of self-government in their new homes, but to train subject peoples for the discharge of similar responsibilities. As English constitutional liberties have developed, the type of government which is created in the new countries has been modified. The government of the American colonies reflected the ideas of the Stuart monarchy; while the new nineteenth century colonies have been modelled on democratic lines, where authority lies in the hands of a cabinet which is responsible to the citizens for its measures.

The contrast is noticeable, too, when we look not merely at the diffusion of political power in the English Empire but at the character of the civil administration. The creation of administrative machinery was the great feature of English economic history in the middle of last century, and a corresponding change was taking place in the government of the country and her dependencies. There are areas where the older type of administration survives, and the officials of a royal household are responsible for the control of public affairs; there is still a castle in Dublin. But, on the whole, it is true that the method of selecting the *personelle* of the administration throughout the various parts of the Empire is wholly appropriate to a democratic realm. The Roman Empire was governed by an official class; there is always a danger that such a caste may become the slave of its own traditions, or that it should avail itself of opportunities of

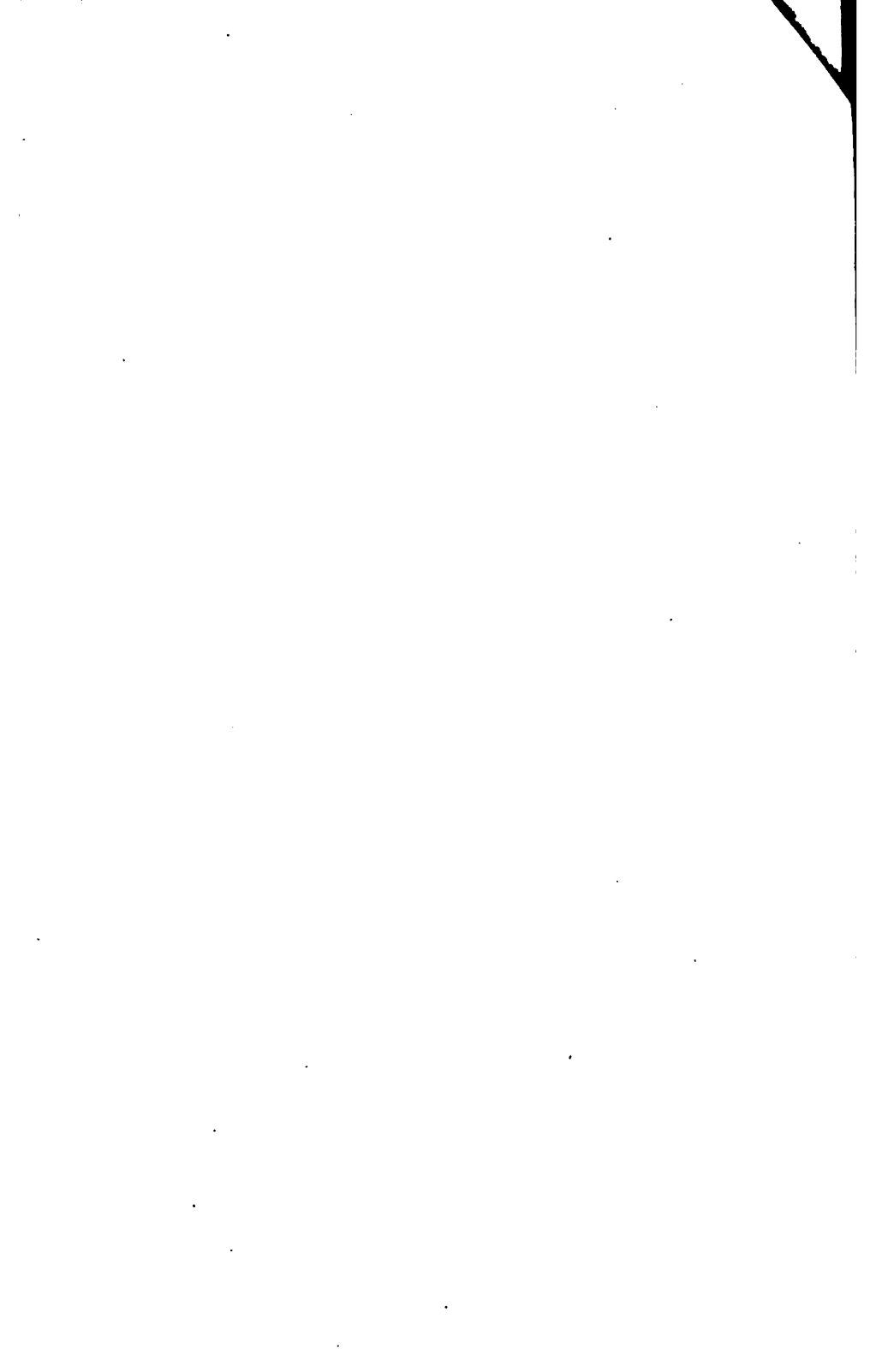
*while
England
has set
herself to
diffuse
political
power,*

*and to
devise an
incorrupt
but efficient
system
of civil
adminis-
tration*

in conjunction
with democratic
institutions.

enriching itself. In England, with the publicity of parliamentary government and the effectiveness of the criticism that is possible under the party system, the difficulty of securing administrative excellence under a democracy has been reduced to a minimum. A method has been devised for obtaining the services of men of capacity and yet subjecting them to the control of independent authorities from outside. There is no official caste, and if we lose something by being careless of expert training and setting amateurs to learn their business by their mistakes, we have a constant supply of men who have intimate relations with the non-official world, and bring their common sense to bear on the problems that present themselves. The Indian Civil Service¹ has given the type on which other administrative bodies have been modelled—in regions where responsible self-government is impossible,—and this service is the product of the East India Company and Parliament. There is an impressive fitness in the fact that the characteristic institution of a commercial empire should have been developed, not solely by the wisdom of political rulers, but also by the sagacity of English merchants guiding a commercial enterprise.

¹ The training of candidates, for posts under the Company, at a college for four years was insisted on by the Act of 1818 (58 Geo. III. c. 155, § 46), and an examination for admission was required by 3 and 4 W. IV. c. 85, §§ 104—106, and patronage in the nomination of candidates was abolished by 16 and 17 Vict. c. 36. The system which was thus organised was taken over without substantial alteration by the Civil Service Commissioners in 1868 (21 and 22 V. c. 106, § 32). Sir C. E. Trevelyan, who had long experience of the working of the official system in India, was a prime mover in the reform of the Home Civil Service in 1854. *Reports, etc.* 1854, xxvii. p. 2.



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